



# POVERTY AND SOCIAL PROTECTION CONFERENCE 2015

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# **A Study into differential impact of innovations on stakeholders in meeting public needs through Public Private Partnerships**

Abedin Kindi Ali  
Author

## **Abstract**

Innovation is first and foremost a collective social endeavor in modern, rapidly changing economies and is widely seen as key sources of economic growth and welfare increases. Great deal of academic work has focus on the understanding the nature of innovation, since it has also meant losses and hardships for some members of society. Innovation can be destructive to some stakeholders' wellbeing even as it creates new wellbeing among other stakeholders. The epistemological implications of innovations true novelty are problematic due to the inability to anticipate the future impact of successful innovations, even after their technical feasibility has been established. This salient issue was explored through the notion of public private partnerships for innovation, since it has evolved as a popular institutional arrangement and is perceived to remedy the lack of dynamism in traditional public service delivery. While others argued that public-private partnerships are not necessarily positively innovative, but that many of them carry large risks and uncertainty that are neither highlighted nor addressed as they social cost are yet to be fully realized. This paper considers three analytical frameworks: pre-commitments, contractarianism, and an entrepreneurial framework within which the conceptions of innovation and uncertainty were examined. Both the pre-commitment framework and the contractarian framework seek state attention in dealing with the differential impact of innovations on stakeholders in meeting public needs. Based on effectual logics the entrepreneurial solutions to the differential impact of innovations on stakeholders in meeting public needs may not fully help decision makers to find the best possible world, but it provides useful design principles for making better worlds even if we may not know and cannot predict what those would be. This concludes that we can go beyond pre-existing conventions to develop solutions to manage the differential, yet unknowable impacts of true novelty on stakeholders.

**KEY WORDS:** Contractarianism, Effectuation, Entrepreneurship, Innovate, Precommitment, Public-private partnership, Stakeholder

# **A Study on the Disguise Poverty of the Urban Areas in Sri Lanka**

Lahiru Hapugoda

## Abstract

Poverty is the major problem for the whole world. Because it is touching and affecting to the human living conditions negatively. The World Bank is also elaborates their dream of future as “free of Poverty in the World”. As a big picture, the World Bank views like above, but the Author thoroughly assuming that in the Sri Lankan context having slightly different kind of poverty which can be identified as Disguise Poverty of Recently developed Urban Areas with high infrastructure facilities. Disguise Poverty is one of the major burning problems in Sri Lankan Context as well. This paper is basically discussing on the nature of Disguise poverty of recently developed Urban Areas related to lower-lower class urban population in Sri Lanka.

Based on such assumption, The Author firmly believes that the Cultural Factors which are adhere in the lower-lower class urban population, effect for the Poverty of that Specific segment in Sri Lanka. That Cultural Factors can be identified as; Attitudes, Norms, Beliefs, Life Style Patterns and practices. People those who are live in the recently developed Urban Areas in Sri Lanka, representing the lower-lower class segment in the social hierarchy, is having special feature such as; doing their jobs for just fulfill their hunger in their day to day life. Such People are not concentrated on continues improvement of their standards of living.

In this study dependent variable can be identified as Disguise Poverty of lower-lower class urban population segment and the Cultural Factors can be identified as an independent variables. Critically reviewing of Literature and observations used for this study as Methodology and all Conclusion and Recommendation are based on the discussion.

**Key Words:** Disguise Poverty, social hierarchy, Urban Population, Cultural Factors, Standards of living.

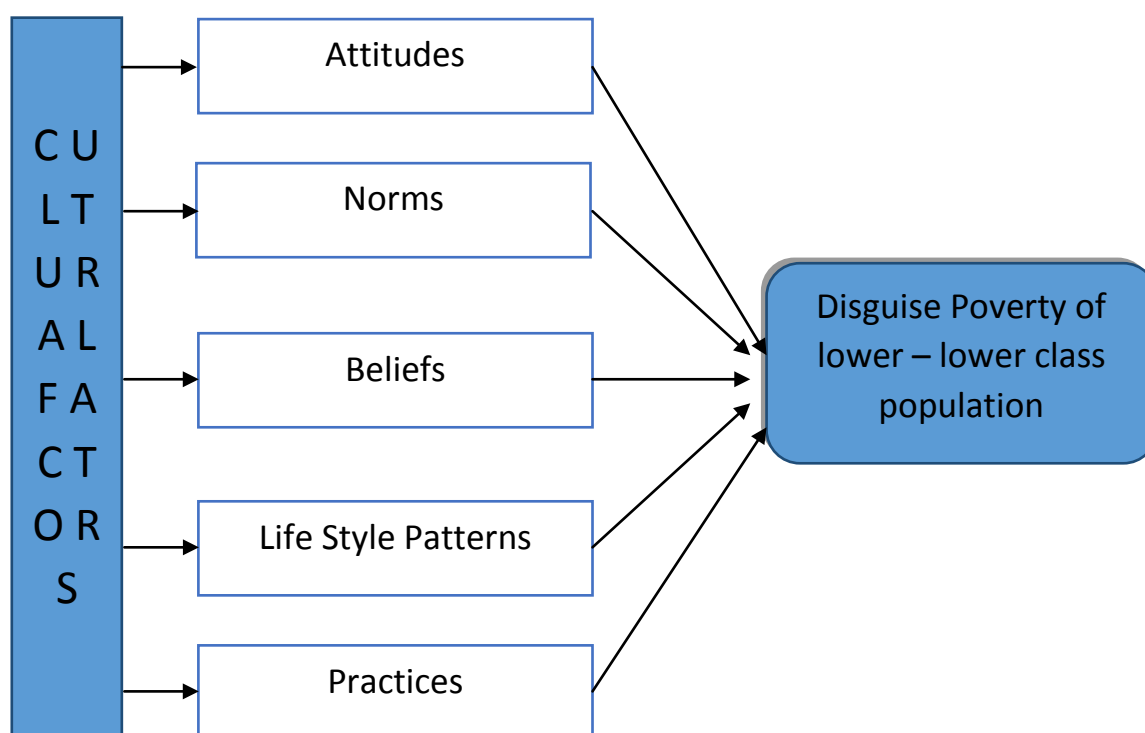
## Section One

### Background of the Study

When hearing poverty as a concept, the Author can say that Sri Lanka is also in a list of world poorest countries. Gfmag (2015) Suggested that Sri Lanka holding a 74<sup>th</sup> position in the poorest list based on the Gross Domestic Product (PPP) Per Capita 2009-2013.

The Author believes that, in the Sri Lankan context having slightly different kinds of poverty which mentioned in the abstract as well. The Author assuming that there is a Disguise Poverty of lower-lower class population which located in the recently developed urban areas in Sri Lanka. Finding out the trueness of such assumption and give suggestions to minimize the situation is at most important for minimizing the Region and World Poverty as well. Through this Research Paper, the Author tries to find out the trueness of the Author's assumption and give at most important suggestions to minimize the lower –lower class Disguise Poverty of the recently developed Urban Areas in Sri Lanka.

### Nature of the Variables



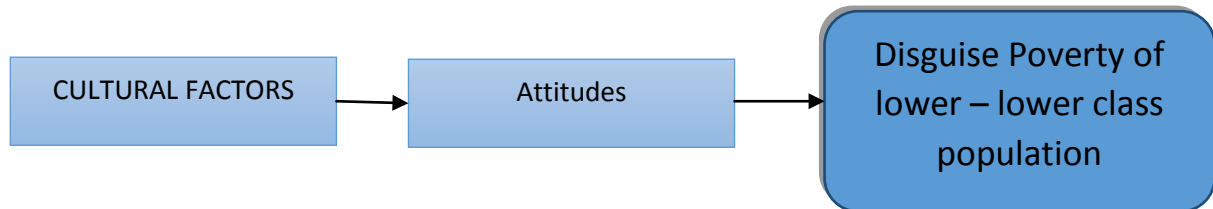
Above graph designed by the Author to explain the nature of an Independent and Dependence Variables.

### Attitudes

Sri Lanka is the only legitimate motherland of the Sinhala People. They form the mainstream of society of this island nation for over 2500 years. Through over 2500 years pushes to make good and bad cultural factors to the nation. Now it is addicted whole over the nation. For lower – lower class population in recently developed urban areas are the same.

## Attitude as an Employee

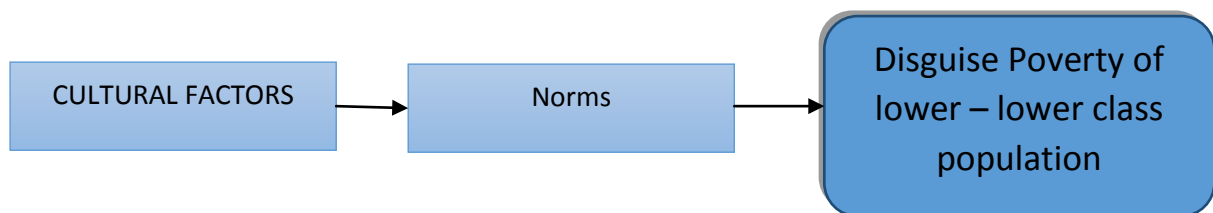
The Author's experiencing that majority of the lower – lower class population of recently developed urban areas are working as an employee. The Author thoroughly believes that such “Attitude as an Employee” is created Attitude and it was designed by the Education system of Sri Lanka. Further the Author believes that above “Attitude as an Employee” is not a single attitude and it is result of set of attitudes created by the Education System of Sri Lanka.



By experience of the Author, male are more socialized than female. This factor definitely should be cultural factor because Sri Lankan cultural stands as male dominated one. Religious effects are also effect this. The Author thoroughly believes that some businesses can be done only males. And in Sri Lanka some businesses are not accepted due to religious effects. For an example selling meats (Pork, Beef and other meats) is social rejected businesses and people don't have better perception about such businesses.

## Norms

The Author experiences that Sri Lanka still practicing millions of Norms within the society. The Author believes that such Norms should also be effects for this subjected area of Disguise Poverty of lower – lower class population in recently developed urban areas in Sri Lanka.



Majority of the female are blocked within the family after they get married. Sri Lankan culture, practicing this as norm which effecting the poverty of lower – lower class population in recently developed urban areas in Sri Lanka.

Majority of the population of lower – lower class are not continuing their higher education because of an economic problems. Money is the major of such economic problems which having such the lower – lower class population.

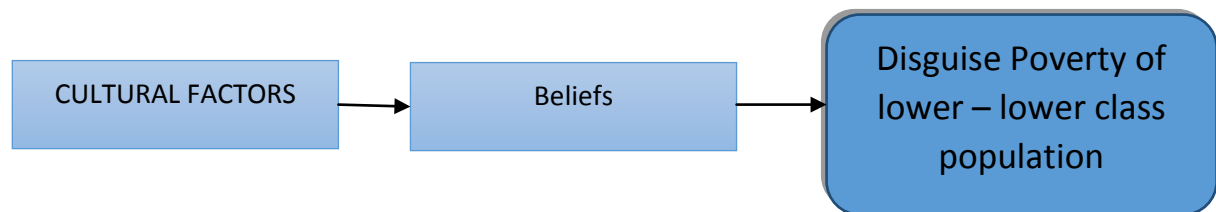
On the other hand, some are move for higher studies and they started most popular course which is in the Sri Lankan education system. For an example CIMA, CIM, ICASL, PQHRM, CFA foreign top up degrees etc... Such people does not have perfect idea about their interests, talents, skills and knowledge which they already grab through primary education system.



Further, “mind set of English speaking” is also very poor. Lots of lower – lower class people are having mind set of “English is difficult language to speak”. The Author believes that it also kind of a created mind set by the Sri Lankan Education System. In Sri Lanka having Mother Language (Sinhala) based education system. Recently Sri Lankan education system introduced English Language based education system and still it is in the introduction stage.

### **Beliefs**

The Author experiences that Sri Lanka lower – lower class majority population are having lots of traditional beliefs which came from the religions as well.



For an example people who representing the lower – lower class population in Sri Lanka having following poor beliefs.

Ladies can't start a Business without men.

If you want to start a new Business you a came from Business based family.

Not concern about Entrepreneurships.

Liquor Business is rejected by the Religion based parties within the country.

Astrology and horoscopes are used by majority of this lower – lower class segment in recently developed urban areas in Sri Lanka for taking important decisions of their life. For an Example; for starting new business, for getting married, for step out from your home, for delivering a baby, for starting to build a house etc...

### **Life Style Patterns**

This is the most interesting Independent variable which came a cross by the Author. In Sri Lankan urban area having development in infrastructure facilities through last decade. Former government are invested lots of money for develop High ways, walking paths, night Clubs, pubs, Casino Pubs, Cinema Theaters, Shopping Moles, carpet Roads, electricity expansion, water line expansion and unofficial development of prostitution (Sri Lankan, Chinese, Korean etc.. Night Ladies).

Within urban areas, the Author can find lots of good and un-productive developments such as mentioned above. But in the meantime Poverty is disguisedly still improving heavily.

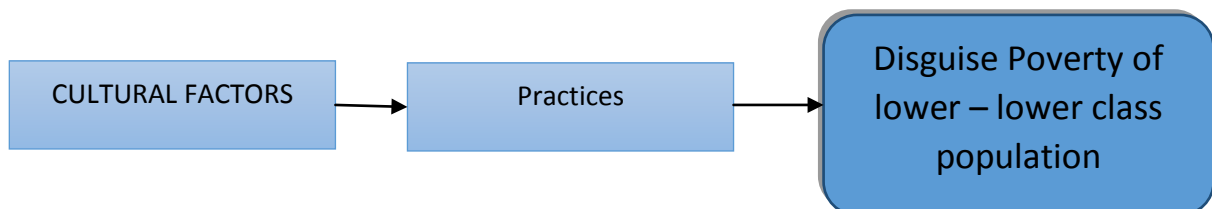


On the other hand Author experiences following Life Style Patterns of the lower – lower class population in recently developed urban areas in Sri Lanka.

Majority are Alcohol addicted and they earn daily and spend such to drink alcohol. Further, majority and smoking cigarettes and drugs equivalents. Furthermore, lots of heroin and drug dealers are located in this area and in this social class. Majority of the lower – lower class people are highly using of nightlife in Sri Lanka to do underhand businesses like drug dealings, prostitution dealings. Because majority of such people are hiring taxis' as second occupation and using such taxis for do underhand businesses.

### **Practices**

The Author experiencing lots of good and un-productive practices within this lower – lower class population in recently developed urban areas in Sri Lanka.



Basically majority of the population, economic and consumption practices of the lower – lower class population is questionable and unacceptable. Following Economic and Consumption practices are experiencing by the Author from lower –lower class population.

More expenses than earnings.

Do not have exact idea about savings and investments.

Spending all earnings for food, clothes and Alcohol.

Not investing for education even for children. (Free Education system are available in Sri Lanka)

Higher rate of teenage marriages.

The Author believes that the above mentioned Independent Variables (Attitudes, Norms, Beliefs, Life Style Patterns and Practices) are directly effect for the Disguise Poverty of lower – lower class population and it will help to identify the relationship of Independent and Dependent variables.

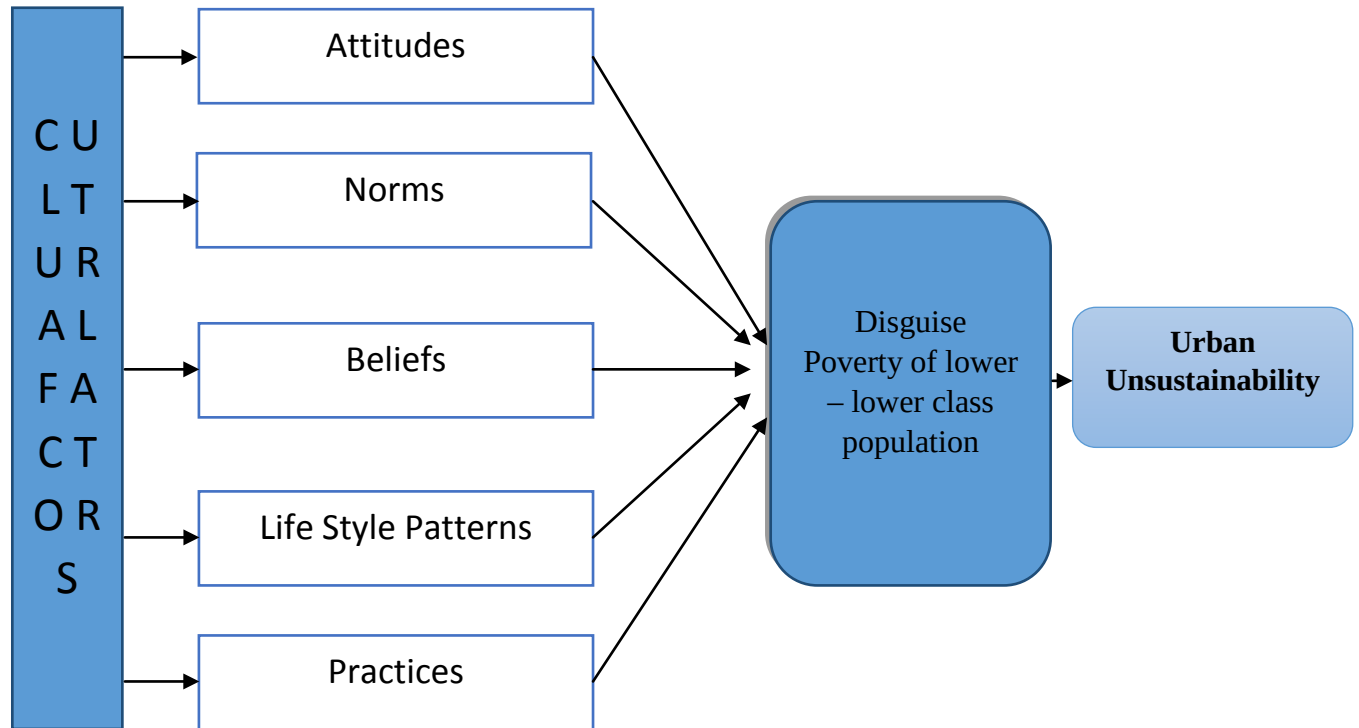
Furthermore, the Author's believes that such Disguise Poverty of lower –lower class population is creating urban unsustainability within the recently developed urban areas of Sri Lanka.

### **Urban Unsustainability**

Below mentioned parts which representing the heart of the economy of Sri Lanka is located in the discussed recently developed urban areas in Sri Lanka.

All the leading Schools in Sri Lanka, Three main Government Universities in Sri Lanka, Share Market of Sri Lanka, Ward Trade Centre of Sri Lanka, Central Bank of Sri Lanka, Leading Government, Private Banks and Financial Institutions, Sri Lanka Port Authority, Sri Lanka Railway Authority, Main bus Stand of Sri Lanka, Sri Lanka Telecom (Sri Lanka Leading Telecommunication Provider), Sri Lanka Broadcasting Corporation, Sri Lankan national television Providers, Sri Lankan President House etc...

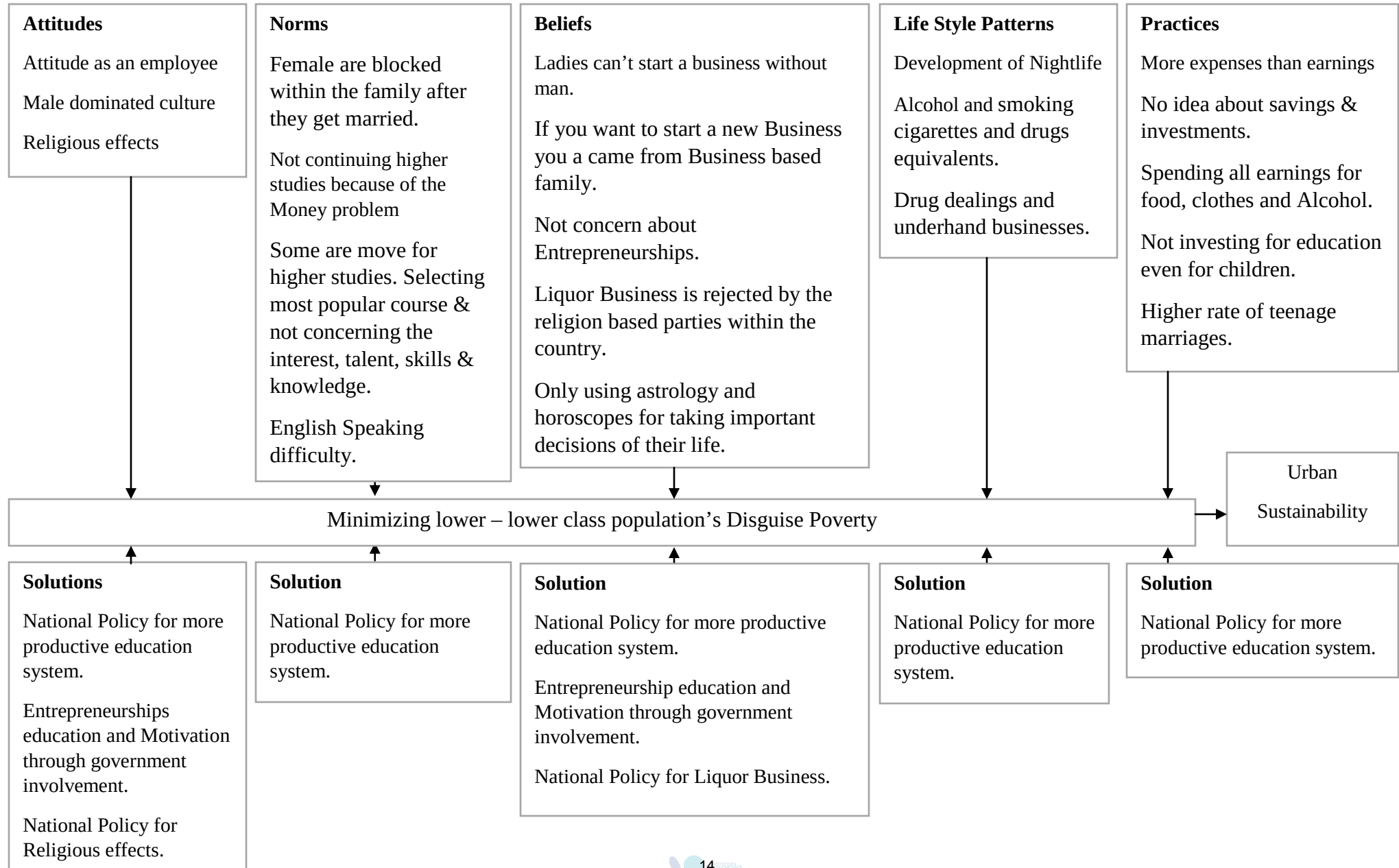
So the Author redeveloped the variables graph as below.



The Author thoroughly believes that as a result of Disguise poverty, Urban Unsustainability will be arising. Briberies & corruptions will be arising, Political unsustainability, going down the beauty of the recently developed areas, heavy traffic jams' are in action & unsustainable financial industry etc...

## Section Two - Proposed Solutions

Conceptual Frame Work designed by the Author to propose solutions to minimize the Poverty of lower – lower class population in urban areas in Sri Lanka.



Referring the Conceptual Frame Work designed by the Author, following major solutions should be vital for minimizing the Disguise Poverty of Lower – lower class population in recently developed urban areas in Sri Lanka.

### **Proposed Major Solutions**

- National Policy for more productive education system.
  - \* Entrepreneurship education & Motivation through government involvement
- National Policy for Religious effects.
- National Policy for Liquor as a Business.

### **Proposed National Policy for more Productive Education System.**

School categorization will be very much important.

Primary Schools – Grade 01 to Grade 05

Secondary Schools – Grade 06 to Grade 11

High Schools – Grade 12 and Grade 13

The Author proposed to move out the Primary and Secondary Schools from the recently developed urban areas and keep the high school within the urban areas. Because the Author thoroughly believes that, create more productive attitudes, norms, beliefs, life style patterns and practices should be easier for small mind than developed mind. So urban areas should be not suitable for this creation

State Teaching Code of Ethics

Clearly state Do's and don'ts that teacher should follow.

Inquiry and punishing system.

Recruitment Policy of Education System will be very much important.

For recruiting Professional Senior Principals for School Management.

For recruiting Professional Senior and Junior Teachers.

For recruiting School Administration officers and Minor staff.

For recruiting foreign lectures for improving English Language & other Languages.

Performance evaluation system for Teachers. Evaluate based on;

Subject knowledge, Skills, Qualifications and Attitudes

Methods that use to teach by the teacher.

Approaches that use to teach by the teacher.

Class Management skills

Outlook and appearance should be meet to the professionalism.

Training Policy will act as motivator for Teachers.

Foreign, outbound and technical Trainings

Methods that use to teach by the teacher

Approaches that use to teach by the teacher.

Class Management skills

Outlook and appearance should be meet to the professionalism.

Trainings & Developments Related to the subject

Compensation & Benefit Policy will be acting major role.

Market survey should be very much important for decide the basic salary.

Qualification, Experience and past performance based salary increment system.

Other benefits should be state according to the market survey results.

Update the Teaching materials align with the student's Market requests and interest

Introduce Online Language improving methods.

Ex: Engvid.lk / least talk / effortless English web sites

Introduce activity based education system rather than using class room methods

Expand University capacity and facilities to facilitate all the local and foreign students

(Because currently Sri Lanka facilitating only 18,000 students for university entrance)

Introduce industrial related degrees / MBA / M.Phil. / PhD

For an example: M.Sc. in Machine Designing Management / M.Sc. in Mobile Phone Designing Management / M.Sc. in Vehicle Designing Management (In 1982 Sri Lanka had a fabulous Tractor Corporation and currently it is not operating) etc...

### **Entrepreneurship education & Motivation Methods**

Introduce Entrepreneurship degree, MBAs, M.Phils., PhD.

Special Interest free loan Scheme facilities for start a New Businesses

Provide free materials, technology etc...

Provide tax free facilities

## **Proposed National Policy for Religious effects**

State Religious Code of Ethics

Clearly state Do's and don'ts that teacher should follow.

State Religious Education System

(Introduce Religious Education to educate the lower – lower class population within and outside the country.)

Practicing the Traditional and religious norms and practices for the development of people and not using to get political interest

State Restrictions to participate political parties and allow consulting and knowledge sharing society

Child consultation

Parents' consultation

Family Consultation

Political Party Consultation & Suggestions

## **National Policy for Liquor as a Business**

Introduce selling percentage within the country

For an example: 25% within the country

75% outside the country

Encourage Liquor Export Business

Government sponsored exporting facilities

## **General Proposals for Urban Sustainability**

Proposed housing apartments project for discussed population to standardize their life's'.

Eliminate Drug and underhand business within the society using stick rules and regulation of the government.

Inquiry and punishment system not concerning the social states.

Educate the people

For long term; move out the main bus stand, telecommunication Provider, President House media stations from the recently developed urban areas. Mutual agreements and discussions are much more important for the long term proposals.

## **Section Three**

### **Conclusion and Recommendation**

#### **Conclusion**

The Author developed above mentioned independent variables and dependent variable to analyze the Disguise Poverty of lower – lower class population in recently developed urban areas in Sri Lanka. Throughout the analysis, the Author explained some experiences about this social class in brief.

Further the Author willing to elaborates that this situation is basically based on the recently developed urban areas in Sri Lanka and it can't be generalized throughout the whole country. But the problem of Poverty of lower – lower class population in recently developed urban areas are still in action. The Author thoroughly believes that the conceptual frame work (Solutions) is answering the Disguise Poverty of lower – lower class population in recently developed urban areas.

#### **Recommendation**

Infrastructure development and facility updates are highly recommended and at most important for the development of the country. But on the other hand, rate of concentration of human behavioral and development is also at most important for the sustainable urban development for the country.

More investment for Human development. Especially development of Attitudes, Norms, Beliefs, Life Style Patterns and Practices is important.



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## ASPECTS OF POVERTY IN THE POST-ARAB SPRING COUNTRIES. THE EU'S NEW PARTNERSHIP AND STRATEGY (2012-2015)

The whole problem of the poverty which generated Arab Spring is discussed in great detail by scientists and politicians. Certainly all the Middle East revolutions must be analyzed in the context of enormous costs of the Arab Spring in the years 2010-2011<sup>1</sup>. Tunisia, Egypt, Libya, and Syria which have witnessed revolutions and conflicts suffer many economic and social consequences. Nowadays, several years after the Arab Spring some of these four economies has been developing into an efficient market economy. For example the Egyptian economy's surprising rebounded in 2014 and GDP growth in 2015 is forecast at 3.5 percent, according to a report issued by the International Monetary Fund<sup>2</sup>. In the other hand the continuation of conflicts in Libya and especially civil war in Syria are a very high humanitarian tragedy for the countries themselves. Particularly Syria's economy had been crushed deeply by political turmoil.

It is well known that poverty is a multidimensional problem which is strong related not only with economics but also with social, political, and cultural aspects<sup>3</sup>. The sophisticated phenomenon so called "Arab Spring countries" have been a special part of the EU's policy as part of the European Neighbourhood Policy (ENP) developed systematically from the first decade of the 21<sup>st</sup> century<sup>4</sup>.

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<sup>1</sup> See: M. Khan, *The Economic Consequences of the Arab Spring*, "Atlantic Council" February 2014, in: [http://www.atlanticcouncil.org/images/publications/The\\_Economic\\_Consequences\\_of\\_the\\_Arab\\_Spring.pdf](http://www.atlanticcouncil.org/images/publications/The_Economic_Consequences_of_the_Arab_Spring.pdf) [quoted 15.02.2015]; K. Kościelniak, *The Economic Aspects of the Arab Spring. The EU's New Partnership and Strategy*, w: K. Bojko (red.), *Poland-Jordan-European Union: A New Role of Europe in the Middle East after the Arab Spring*, Amman 2013, pp. 63-82; R. H. Charafeddine, *The Economic and Financial Consequences of the Arab Spring*, in: <http://farescenter.tufts.edu/events/roundtables/2011Sep28.asp>, accessed 15.11.2012; *Economic perspectives on the Arab Spring*, in: <http://www.kas.de/rpg/en/publications/30376/>, accessed 23.11.2012; *Arab Spring's' Negative Impact on the European Economy*, in: <http://www.valuewalk.com/2012/03/arab-spring-costing-europe-billions-of-dollars/>, accessed 12.11.2012; K. Kausch, *Managed Succession and Stability in the Arab World*, "FRIDE Working Paper" 2010, no. 104; F. Bicchieri, *Dilemmas of implementation: EU democracy assistance in the Mediterranean*, in: "Democratization" 17(2010), pp. 976-996.

<sup>2</sup> See: E. MacBride, *While we weren't looking, an Arab economy took off*, "World Economy", <http://www.cnn.com/id/102141210#> [quoted 12.02.2015].

<sup>3</sup> See:

<sup>4</sup> About period before Arab Springs see: D. Mahncke, *The Logic of EU Neighborhood Policy*, in: Dieter Mahncke & Sieglinde Gstöhl (ed.), *Europe's near abroad : promises and prospects of the EU's neighbourhood policy*, Bruxelles 2008, pp. 19-46; M. Briens, *Belarus and Libya: wider Europe's Pariahs?*, in: Dieter Mahncke & Sieglinde Gstöhl (ed.), *Europe's near abroad : promises and prospects of the EU's neighbourhood policy*, Bruxelles 2008, pp. 213-234; R. Seitz, *Exporting stability or importing problems? The EU's Security Policy towards its Near Abroad*, in: Dieter Mahncke & Sieglinde Gstöhl (ed.), *Europe's near abroad : promises and prospects of the EU's neighbourhood policy*, Bruxelles 2008, pp. 96-97; 108-111; P. Kratochvil, *Constructivism and rationalism in EU external relations: the case of the European neighbourhood policy*, Baden-Baden 2010; A. Alpaço, *Power and poverty : is the EU a new planet?*, Frankfurt am Main 2010; L. Delcour, E. Tulmets, *Pioneer Europe? : testing EU foreign policy in the neighbourhood*, Baden-Baden 2008.

### **a) The poverty roots of the Arab uprising. The Middle East and North Africa before 2011**

Before presenting the range of the EU's policy toward the Post Arabian Spring countries, it is useful to evaluate the economic scene of the Arab World during the time prior to the 2011 revolutions. In reality, the Arab Spring created first of all poverty and not demand of the democratic reforms.

Poverty is considered often as a result of people's inadequate integration, or even exclusion, from the benefits and opportunities of the free market environment<sup>5</sup>. This definition took The World Bank considering that the Middle East and North Africa region suffers the 'spatial disparities' in living standards. It means that 'the market determine the spatial distribution of economic activity.'<sup>6</sup>

More detailed analyses shows that after the Arabian Spring poverty in the Middle East generated high food and energy prices, high unemployment rates among young people, weak economic reforms, severe anomalies in wage structure, and unclear measures to fight against corruption<sup>7</sup>.

As a consequence, poverty rates have increased rapidly between 2000-2010. For example in Egypt the proportion of population living below the national poverty line rose from 16.7% in 2000 to 22% in 2008, according to information from the World Bank<sup>8</sup>, while two-thirds of 112 countries analyzed in *Indicators of the Labour Market* reduced absolute poverty between the 1990s and 2000<sup>9</sup>. However, the proportion of people living on less than US\$1 per day rose slightly from 1.8% in 2000 to 2% in 2005, that is ca 1,650,000 of 82,000,000 Egypt's population. Despite the use of food price subsidies and other government interventions, a rise in global food prices was transmitted into domestic food prices in many the Middle East and North Africa countries. Food insecurity and unemployment has been an important factor sparking the Arab revolutions<sup>10</sup>.

It is necessary to stress that over the last few decades, the Middle East has dramatically changed its demographic structure. In many Arab countries about three-quarters of the unemployed of young people are under the age of 30. Therefore, it is necessary to take into consideration the fact of a greater female participation in the labor force. These both

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<sup>5</sup> See: K. Bogaert, *Contextualizing the Arab Revolts: The Politics behind Three Decades of Neoliberalism in the Arab World*, "Middle East Critique" p. 9 in: [https://www.academia.edu/5450182/Contextualizing\\_the\\_Arab\\_revolts\\_the\\_politics\\_behind\\_three\\_decades\\_of\\_neoliberalism\\_in\\_the\\_Arab\\_World](https://www.academia.edu/5450182/Contextualizing_the_Arab_revolts_the_politics_behind_three_decades_of_neoliberalism_in_the_Arab_World) [quoted 10.02.2015].

<sup>6</sup> See: World Bank, *MENA Development Report. Overview. Poor Places, Thriving People. How the Middle East and North Africa Can Rise Above Spatial Disparities*, Washington: World Bank 2010, p. 11

<sup>7</sup> See: Company Information Center Research and Markets, *Research and Markets: Arab Spring and its Impact on Economies in the Middle East and North Africa: a Detailed Report*, in: <http://www.businesswire.com/news/home/20120207006906/en/Research-Markets-Arab-Spring-Impact-Economies-Middle>, accessed: 1.10.2012.

<sup>8</sup> See: *World Bank Data Catalog, Development Indicators - Egypt*, in: <http://data.worldbank.org/country/egypt-arab-republic> (accessed: 12.11. 2012); J. Kinninmont, 'Bread, Dignity and Social Justice': *The Political Economy of Egypt's Transition*, "Middle East and North Africa Programme" - April 2012, p. 4, in: [http://www.chathamhouse.org/sites/default/files/public/Research/Middle%20East/bp0412\\_kinninmont.pdf](http://www.chathamhouse.org/sites/default/files/public/Research/Middle%20East/bp0412_kinninmont.pdf), accessed: 12.11.2012.

<sup>9</sup> See: International Labour Organization, *Key Indicators of the Labour Market, Chapter 19: 'Poverty, income distribution and the working poor'* 2011, in: <http://kilm.ilo.org/2011/download/kilm18EN.pdf> (accessed 13.11.2012).

<sup>10</sup> See: C. Breisinger, E. Ecker, P. Al-Riffai, *Economics of the Arab Awakening: From Revolution to Transformation and Food Security*, "IFPRI Policy Brief" 18, Washington 2011; D. Larson, J. A. Lampietti, C. Gouel, C. Cafiero, and J. Roberts, *Food Security and Storage in the Middle East and North Africa*, "World Bank Policy Research Working Paper" No. 6031, Washington 2012.

demographic factors have greatly increased the number of people looking for jobs<sup>11</sup>. The statistics show that, during the period of 1996-2006, labour force in the Middle East and North Africa has tripled resulting in one of the largest rates of youth unemployment in the world<sup>12</sup>. This process was also observed in Jordan, according to *Al-Manar 2010, Employment and Unemployment Survey*, which attests, that more than 70 percent of the unemployed were under the age of 29 years<sup>13</sup>.

Tunisia, Egypt, Libya, and Syria have not only grown younger, they have also become more educated. Educational achievements of the Arab world in the 1960s were at one of the lowest levels. During the 1980-2000 adult education rose faster in the Middle East than in any other region of the world<sup>14</sup>. The irony in the Middle East is that there is a huge gap between demography and economic structure. The economic structure is simply unresponsive to the needs of growing young populations – unemployment is the biggest problem facing young people<sup>15</sup>.

Labour markets in the Middle East cause another problem. Namely, they are segmented at multiple levels – between the public and private sectors, between formal and informal sectors and between national and non-national<sup>16</sup>. Although the need for private sector development is widely recognized, it is very difficult to find solutions to dynamize it. However, the absence of a vibrant private sector is a typical regional failure, not only a failure on individual country<sup>17</sup>.

It is worth to mention one more Middle East problem: the state's role in most Arab economies. In Tunisia, Egypt, Libya, and Syria the state has been the most important actor, which eclipsed all independent productive sectors. It would provide essentials of life, such as food, energy, jobs creating the system of subsidies and economic controls. This centralization and bureaucratic system supported many uncompetitive practices and the interests of governing coalitions. It was much more enduring than the socialist and neo-liberal ideology and, consequently, conserved governing coalition privileges.

<sup>11</sup> See: R. Assad, G. Barsoum, *Rising Expectations and Diminishing Opportunities for Egypt's Young*, in: N. Dhillon, T. Yousef, *Generation in Waiting: The Unfulfilled Promise of Young People in the Middle East*, Washington 2009, pp. 67-94.

<sup>12</sup> See: A. Malik, B. Awadallah, *The economics of the Arab Spring*, "CSAE Working Paper", Oxford WPS/2011-23, p. 2; in: <http://www.csae.ox.ac.uk/workingpapers/pdfs/csae-wps-2011-23.pdf>, accessed 24.11.2012.

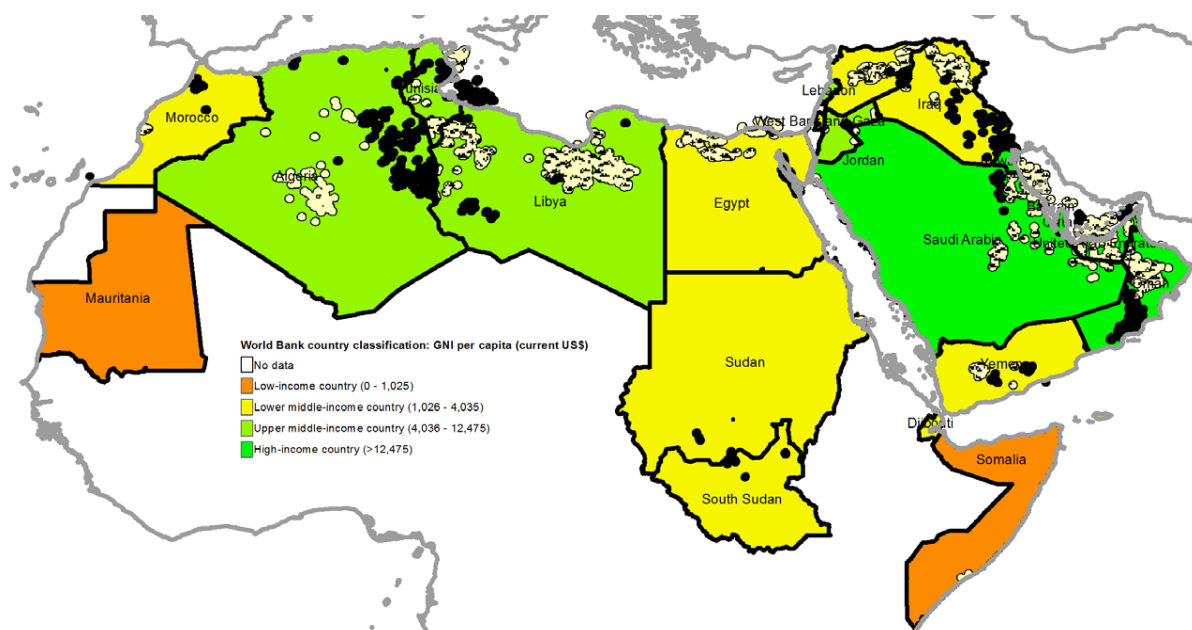
<sup>13</sup> See: Al-Manar, *Employment and Unemployment Survey: Numbers of Employed Jordanians 2000-09*, Amman 2010; World Bank, *Resolving Jordan's Labor Market Paradox of Concurrent Economic Growth and High Unemployment*, Report No. 39201-JO, December 2008, 23; T. Canaan, M. Hanania, *The Disconnect between Education, Job Growth, and Employment in Jordan*, in: N. Dhillon, T. Yousef, *Generation in Waiting: The Unfulfilled Promise of Young People in the Middle East*, Washington 2009, pp. 142-165; R. Miles, *Employment and Unemployment in Jordan: The Importance of the Gender System*, in: "World Development" 30(2002) no 3, pp. 413-27.

<sup>14</sup> See: T. M. Yousef, *Development, growth and policy reform in the Middle East and North Africa since 1950*, in: "Journal of Economic Perspectives" 18(2004), no 3, pp. 91-116.

<sup>15</sup> See: A. Malik, B. Awadallah, *The economics of the Arab Spring...*, p. 3; J.G. Williamson, T. M. Yousef, *Demographic Transitions and Economic Performance in the Middle East and North Africa*, in: I. Sirageld, ed. *Human Capital: Population Economics in the Middle East*, New York 2003, pp. 16-36.

<sup>16</sup> See: The World Bank, *Unlocking the Employment Potential in the Middle East and North Africa: Toward a New Social Contract*, Washington 2004.

<sup>17</sup> See: A. Malik, B. Awadallah, *The economics of the Arab Spring...*, p. 4; N. Assaf, N. Benhassine, *Private Sector, Employment and the Investment Climate in the MNA Region*, World Bank Working paper 2003.



1: World Bank country classification: GNI per capita (current US\$)  
Source: Arab Spatial (IFPRI based on World Bank's WDI)

The Middle East with a population of 350 million people does not function as one economic market, being one of the most fragmented regions of the world in aspects of production, trade and economic relations. The lack of intra-Arab trade caused that few Middle East and North African countries considered their neighbours as their natural trading partners<sup>18</sup>.

Finally, Middle East economy suffered also in many cases by sectarianism. Sectarian mentality has been provoked by ideological rifts between Islamists and secularists, and between conservatives and liberals, as well as by religious divisions between Sunnis and Shias, Muslims and Christians<sup>19</sup>. Suspicions based on confessional divergences hindered progress of building the stabile economy.

The Arab Spring questioned the prevailing economic model – a leviathan state – which seems to be reaching its expiry date<sup>20</sup>.

#### **TUNISIA**

Population: 10 million people  
GDP per capita: 4,100 US\$  
GDP growth rate (average 2005-2010): 5.2%  
Unemployment rate: 14%  
Unemployment rate (young): 32%  
Exports to the EU (% of total exports): 79%  
Imports from the EU (% of total imports): 65%

#### **LIBYA**

- Population: 6 million people  
- GDP per capita: 10,900 US\$

#### **EGYPT**

- Population: 82 million people  
- GDP per capita: 2,600 US\$  
- GDP growth rate (average 2005-2010): 5.9%  
- Unemployment rate: 9%  
- Unemployment rate (young): 25%  
- Exports to the EU (% of total exports): 29%  
- Imports from the EU (% of total imports): 23%

#### **SYRIA**

- Population: 22 million people  
- GDP per capita: 2,600 US\$

<sup>18</sup> See: A. Malik, B. Awadallah, *The economics of the Arab Spring...*, p. 8.

<sup>19</sup> See: M. Barah, *Sectarianism after the Arab spring: an exaggerated spectre*, in: "Policy Brief" 131(2012).

<sup>20</sup> See: R. Adams, J. Page, *Poverty, Inequality and Growth in Selected Middle East and North Africa Countries, 1980–2000*, in: "World Development" 31(2003) no 12, pp. 2027–2048; L. Anderson, *Democracy in the Arab World: A Critique of the Political Culture Approach*, in: R. Brynen, B. Korany (ed.), *Political Liberalization and Democratization in the Arab World*, Colo 1995, 77-92; N. Ayubi, *Over-Stating the Arab State*, London 1995;

|                                                       |                                                                  |
|-------------------------------------------------------|------------------------------------------------------------------|
| - GDP growth rate (average 2005-2010): 6%             | - GDP growth rate (average 2000-2007): 5.3%                      |
| - 2nd producer of crude oil in Africa (after Nigeria) | - Unemployment rate: 8% (20% according to independent estimates) |
|                                                       | - Unemployment rate (young): 18%                                 |
|                                                       | - Exports to the EU (% of total exports): 44%                    |
|                                                       | - Imports from the EU (% of total imports): 25%                  |

2: The condition of Tunisia, Egypt, Libya and Syria before Arab Spring according to G. Grin, *The Arab Spring and the European Neighbourhood Policy*<sup>21</sup>

### **b) The growing poverty during revolutions 2011-2012: economics consequences of revolutions Arab Spring**

The downfall of the Tunisian and Egyptian dictators and the hopes connected with uprisings in Syria and Libya generated initially the great euphoria. During the first weeks of revolutions many people easily lost sight of the underlying importance of the economic conditions facing the new republics that were emerging in the Middle East. Inhabitants of the Arab Spring countries felt quickly the economic effects of revolutions in their own purses and their own accounts. The economic problems have been grown with political uncertainty. The core institutions of financial infrastructure of the Arab Spring countries have been shaken to their core.

In Tunisia, where democratic transitions are well under way economy shrank markedly. For example in 2011, for the first time since 1986, Tunisia's economy reduced by 1.8 % and that the riots may have cost 4% of GDP. With the economic cost of the Arab Spring estimated at 5% of GDP, growth for 2011 was expected to range between 0 and 1% (According to the Ministry of Planning and International Cooperation, expected GDP growth for 2011 was 0.2%). Before revolution tourism accounted ca. 6.5% of GDP, being the largest provider of foreign exchange. In 2011 it declined by more than 50%. Foreign direct investment (FDI) decreased by 20% and more than 80 foreign companies left Tunisia. The situation in the labor market worsened markedly, which was caused by dismissals and the return of Tunisian migrant workers from Libya. As a result, the number of unemployed people increased to 700,000, compared with fewer than 500,000 at the end of 2010, which means from 13-14% in 2010 to 17-18% in 2011. There appeared problems with increasing of the public deficit and the current account deficit. Tunisia had to face a double disadvantage of a liquidity shortage and the high cost of external finance due to the decline of its sovereign rating<sup>22</sup>.

<sup>21</sup> See: G. Grin, *The Arab Spring and the European Neighbourhood Policy: An Economic Outlook*, in: <http://www.fondation-pierredubois.ch/Papiers-d-actualite/arabspring.html>, accessed 22.11.2012. These table have been compiled by Author from the following sources: European Commission, *Pocketbook on Euro-Mediterranean Statistics*, Luxembourg, Publications Office of the European Union, 2010; A. Sapir, G. Zachmann, *A European Mediterranean Economic Area to Kick-Start Economic Development*, in: S. Biscop, R. Balfour, M. Emerson (eds.), *An Arab Springboard for EU Foreign Policy?* Gent, Academia Press, 2012, pp. 37-47; A. Galal, J.-L. Reiffers, *Towards a New Med Region: Achieving Fundamental Transitions*, *FEMISE Report on the Euro-Mediterranean Partnership 2011*, October 2011; C. Moore, H. Springborg, *Globalization and the Politics of Development in the Middle East*, Cambridge - New York, 2010, p. 149. *Le Temps*, Geneva, 20.02.2012, pp. 2+4, 21.02.2012, pp. 1-3, 22.02.2012, pp. 1-3. The International Institute for Strategic Studies (ed.), *The Military Balance 2012: The Annual Assessment of Global Military Capabilities and Defence Economics*, Abingdon 2012, p. 504.

<sup>22</sup> See: L. Achy, *Tunisia's Economic Challenges*, in: "The Carnegie Paper", December 2011, p. 5; in: [http://carnegieendowment.org/files/tunisia\\_economy.pdf](http://carnegieendowment.org/files/tunisia_economy.pdf), accessed 23.11.2012; S. Ülgen, *Supporting Arab Economies in Transition*, in: <http://carnegieendowment.org/2012/07/05/supporting-arab-economies-in-transition/ck6p>, accessed 22.11.2012.



Arab Spring in Egypt multiplied economic problems of the country. Ca 1 million Egyptians have lost their jobs. Foreign investment fell from \$6.4 billion in 2010 to a mere \$500 million in 2011<sup>23</sup>. Living standards have been eroded by double-digit inflation in 2011 and food inflation was more than 20% with a rising tendency. The low-income groups grew. According to a national income threshold for overall poverty, 40% of Egyptians were estimated to be poor in 2011. Egypt faces similar problems as Tunisia does. Tourism collapsed by almost half in the first quarter of 2011, creating dramatically deep consequences. Before revolution the tourism sector employed two million people and generated a total income of \$12 billion (5.3% of GDP) in 2010. The loss of tourism cost Egypt about \$1 billion a month during 2011. In Egypt 90% of the unemployed are young people (aged 15-24)<sup>24</sup>. Egypt is also dependent for large income from its temporary workers in oil-rich states in the region. Revolution reduced income of 1.5 million Egyptians working in Libya. Egypt's foreign reserves have declined from \$36 billion in January to \$28 billion in May 2011. The consequences of Arab Spring are painful for Egypt, the economy of which shrank by about 3% in 2011. Factories worked reportedly at half capacity; unemployment was officially at double-digit levels (up from 9% in the last quarter of 2010 to nearly 12% in the first quarter of 2011); and the budget deficit is expected to worsen, from 8.6% of GDP to around 11%<sup>25</sup>. It is worth mentioning that Egypt stock market has declined by 25%<sup>26</sup> and it had a growth rate of 1% in 2011<sup>27</sup>. As a consequence, Egypt needs economic aid to cover the shortfall in its budget over 2011-2014. Some authors estimated the losses from the Tahrir Square protests to be around 1.7 Billion US\$<sup>28</sup>.

The conflict in Libya stopped the production and export of oil, the country's main revenue source, which created significant obstacles, such as a 41.8% contraction in real GDP in 2011<sup>29</sup>. According to some sources Libya felt a contraction of its economy after the civil war by more than 50%. Destructions caused by the conflict cost about 15 billion US\$ and there was any Foreign direct investment at the end of the war<sup>30</sup>.

The fall of Syria's economy during 2011-2012 was especially painful for Syrians. difficult to evaluate. From 2011 the country has suffered the weight of sanctions from the United States, European Union, the Arab League, and the regional power, Turkey. The revolution violens stopped tourism and the economic squeeze has affected low-level merchants and businesses. Before the Arab Spring in Syria started on March 15, 2011, the Syrian pound had been trading at about 47 per US dollar. In 2012 the value of the Syrian pound has dropped 50% from 47 to the US\$ to 71 to the US\$, but nowadays (2015) US\$ cost

<sup>23</sup> See: S. Ülgen, *Supporting Arab Economies in Transition*, in:

<http://carnegieendowment.org/2012/07/05/supporting-arab-economies-in-transition/ck6p>, accessed 22.11.2012.

<sup>24</sup> See: *The Economic Impact of the Arab Spring on the Region*, <http://www.paltelegraph.com/economics/world-economics/9410-the-economic-impact-of-the-arab-spring-on-the-region.html>, (accessed: 12.11.2012).

<sup>25</sup> See: H. Hakimian, *The Economic Prospects of the 'Arab Spring': A Bumpy Road Ahead*, in: "Development Viewpoint" 63(2011), in: <http://www.soas.ac.uk/cdpr/publications/dv/file69272.pdf>, accessed 22.11.2012.

<sup>26</sup> *The Economic Impact of the Arab Spring on the Region*, <http://www.paltelegraph.com/economics/world-economics/9410-the-economic-impact-of-the-arab-spring-on-the-region.html>, (accessed: 12.11.2012).

<sup>27</sup> See: G. Grin, *The Arab Spring and the European Neighbourhood Policy...*

<sup>28</sup> See: Global Arab Network - Nehad Ismail, *The Economic Impact of the Arab Spring on the Region*, in: <http://www.english.globalarabnetwork.com/2011061111036/Economics/the-economic-impact-of-the-arab-spring-on-the-region.html>, accessed 23.11.2012.

<sup>29</sup> See: *Libya 2012*, "African Economic Outlook 2012", in: <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Libya%20Full%20PDF%20Country%20Note.pdf>, accessed 23.11.2012.

<sup>30</sup> See: G. Grin, *The Arab Spring and the European Neighbourhood Policy...*, *Bulletin quotidien Europe - Europe Daily Bulletin*, Brussels, 13.01.2012, p. 13; *Le Temps*, Geneva, 23.02.2012, p. 2. *The Economist*, London, 04.02.2012, pp. 31 - 32. Nevertheless, Libya's economy is expected to grow during the political stabilization at 20.1% in 2012 and 9.5% in 2013, see more in: *Libya 2012...*

220 Syrian pound<sup>31</sup>. Before the Syrian uprising began in March 2011, the oil sector was a pillar of Syria's economy, with oil exports — mostly to Europe — bringing in \$7-8 million per day. This income was source of \$17 billion in foreign reserves that the government possessed at the start of the Syrian revolution. According to Syria's oil minister Sufian Allaw, Syria lost about US\$ 4 billion from March 2011 to May 2012 as result of the international sanctions<sup>32</sup>. In 2015 Islamic State has controlled several oil fields in Dayr az Zawr and the Nort Syria reportedly has drawn revenue.

For the last decade, unemployment in Syria has been the main problem in the region among the young. Economic experts estimated unemployment in Syria at 25% before uprising, then the government own figures showed that unemployment was only 11-13%<sup>33</sup>. During the civil war unemployment is markedly growing. Inflation and restriction caused that many workers lost half of their monthly salary. Only during the first months of the revolution, prices of basic food like rice and eggs have tripled, while cooking oil has doubled<sup>34</sup>. Syrian GDP decreased by 2% in 2011<sup>35</sup>. Syrian Prime Minister Wael al-Halqi said in October 2012 that the losses of Syrian economy from the ongoing rebel have cost the country about \$34 billion. The Syrian opposition estimates this loss at about \$100 billion. London-based Syrian Network for Human Rights calculated in a Sept. 28 2012 report that 589,000 buildings — including residential homes, schools, mosques, churches and hospitals — have been destroyed<sup>36</sup>. However the compiling statistics presented by this organization are impossible to verify.

#### **ECONOMIC EFFECTS OF THE ARAB SPRING EVENTS 2011-12 COMPARED WITH THE LAST YEAR BEFORE REVOLUTIONS (2010)**

|                | <b>REAL GDP</b><br>(percent change) |                                                                                                                                                          |             | <b>INFLATION</b><br>(percent) |                                                                                                                                                            |             |
|----------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|                | <b>2010</b>                         | <b>2011</b>                                                                                                                                              | <b>2012</b> | <b>2010</b>                   | <b>2011</b>                                                                                                                                                | <b>2012</b> |
| <b>EGIPT</b>   | 5.1                                 | 1.8                                                                                                                                                      | 2.2         | 11.4                          | 10.0                                                                                                                                                       | 7.8         |
| <b>LIBYA</b>   | 5.0                                 | -62.1                                                                                                                                                    | 104.5       | 2.5                           | 16.0                                                                                                                                                       | 6.1         |
| <b>TUNISIA</b> | 2.9                                 | -1.9                                                                                                                                                     | 3.6         | 4.4                           | 3.5                                                                                                                                                        | 5.6         |
| <b>SYRIA</b>   | 3.4                                 | In 2011 estimated -2,3;<br>the war driven deterioration of<br>the economy resulted in a<br>disappearance of quality<br>national level statistics in 2012 |             |                               | In 2011 estimated ca 60.0<br>the war driven deterioration of<br>the economy resulted in a<br>disappearance of quality national<br>level statistics in 2012 |             |

<sup>31</sup> See: *Syrian Government Deals With Currency Collapse*, "Al-Monitor" in: <http://www.al-monitor.com/pulse/tr/originals/2013/06/syrian-government-handles-currency-collapse.html#> [quoted 13.02.2015].

<sup>32</sup> See: *Syria says sanctions have cost country \$4 billion*, in: <http://usatoday30.usatoday.com/news/world/story/2012-05-23/syria-sanctions/55169762/1>, accessed 21.11.2012; B. Haddad, *Syria, the Arab uprisings, and the political economy of authoritarian resilience*, in: "A Journal for and about social movements" 4(2012) no 1, pp. 113 – 130.

<sup>33</sup> See: *The Economic Impact of the Arab Spring on the Region...*

<sup>34</sup> See: Hugh Macleod, *Syria struggles with crippled economy*, Beirut, in: <http://www.globalpost.com/dispatch/news/regions/middle-east/120313/syria-economy-currency-money-sanctions-uprising>, accessed 23.11.2012.

<sup>35</sup> See: G. Grin, *The Arab Spring and the European Neighbourhood Policy...; The Military Balance 2012: The Annual Assessment of Global Military Capabilities and Defence Economics...*, p. 348.

<sup>36</sup> See: Z. Karam, *Civil war leaves Syrian economy, cities in ruins*, in: <http://news.yahoo.com/civil-war-leaves-syrian-economy-cities-ruins-190226553--finance.html>, accessed 23.11.2012.



|                            |     |      |  |  |  |  |
|----------------------------|-----|------|--|--|--|--|
| <b>SYRIA</b> <sup>37</sup> | 3.4 | -2.3 |  |  |  |  |
|----------------------------|-----|------|--|--|--|--|

In countries that witnessed Arab Spring uprisings the economy shrank which was observed in GDP losses, fiscal balance deterioration, depletion or exhaustion of foreign reserves, drying up of foreign investment, and enlarged current account deficits. According to the IMF, **GDP LOSSES IN LIBYA, EGYPT, TUNISIA, SYRIA, YEMEN, AND BAHRAIN REACHED FOR 2011 ALONE AT US\$ CA 20.56 billion** while the cost to public finance of the same countries were estimated at US\$ 35.28 billion over the same period<sup>38</sup>.

**c) The situation in 2013-2015:  
diverse stage of poverty in Post Arab Spring countries**

We are well aware of the problems that arise from a lack of economic independence in the Middle East and North Africa. However often it is stressed to much that economic stabilization might be a fundamental key to defend poverty. Without the doubt stable economy plays very important role in this process, but solutions to poverty there cannot base exclusively on economic policies. Reducing of poverty also depends on how that economic growth is distributed. Beside this remark is actual not only for the Middle East.

As to four so called Arab Spring countries, they are divided into to groups. The first group includes Egypt and Tunisia which are slowly starting to improve their economic condition. That unfortunately not necessary always meant that economic condition all inhabitants this countries improved. In the second group are Syria and Libya where uprisings from 2011 has been developed into endless bloody civil wars. That gives us two different perspectives in poverty analyses in the main post Arab Spring countries.

**ECONOMIC EFFECTS OF THE POST ARAB SPRING COUNTRIES  
2013**

|                                    | <b>REAL GDP</b><br>(percent change)                                                                                        | <b>INFLATION</b><br>(percent) |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>Countries without civil war</b> |                                                                                                                            |                               |
| EGYPT                              | 1.8                                                                                                                        | 8.6                           |
| TUNISIA                            | 3.0                                                                                                                        | 6.0                           |
| <b>Countries with civil war</b>    |                                                                                                                            |                               |
| LIBYA                              | -5.0                                                                                                                       | 4.0                           |
| SYRIA                              | the war driven deterioration of the economy<br>resulted in a disappearance of quality national<br>level statistics in 2012 |                               |

<sup>37</sup> See: *Syria Economy Profile 2014*, "Index Mundi", in: [http://www.indexmundi.com/syria/economy\\_profile.html](http://www.indexmundi.com/syria/economy_profile.html) [quoted 12.02. 2015].

<sup>38</sup> See: *The Arabian Spring and its Impact on MENA Economies Ventures Middle East*, December 2011, in: [http://www.researchandmarkets.com/reports/2048678/the\\_arabian\\_spring\\_and\\_its\\_impact\\_on\\_mena](http://www.researchandmarkets.com/reports/2048678/the_arabian_spring_and_its_impact_on_mena); *Rethinking the Arab Spring*, in: <http://www.geopolicity.com/upload/content/The-Cost-of-the-Arab-Spring.pdf>; *Research and Markets: Arab Spring and its Impact on Economies in the Middle East and North Africa: a Detailed Report*, in: <http://www.reuters.com/article/2012/02/07/idUS233077+07-Feb-2012+BW20120207> [quoted 12.02. 2015].

**EGYPT.** The Egyptian starting point was very difficult. The poverty rate increased from 21.6 percent in 2008/09 to 26.3 percent in 2012/13. In Egypt is shown wide inequality between rural and urban regions<sup>39</sup>. Fiscal deficits have been above 10 percent of GDP since 2011. It has created the relatively high level of inflation and general government debt reached 90.5 percent of GDP in mid-2014. In Egypt revolutions and demonstrations did not end in 2011. Massive protests organized across all Egypt against Morsi's rule caused the ousting of Morsi by the military on 3 July 2013. This political uncertainties have influenced strongly on both tourism and capital flows. It constructs a decline in Egyptian reserves from 6.8 months of imports in mid-2010 to 2½ months of imports in December 2014. However Egypt's banking system capitalisation remained strong in 2014. It is maintaining profitability and high liquidity. In 2014-2015 the economic growth, employment, and macroeconomic stability slowly improved. That helps economic reform progresses and investment recovers. It is expected that economic growth will reach 3.8 percent in 2015 and will rise steadily to 5 percent over the medium term<sup>40</sup>. Consequently improving of political stability would create jobs and reduce unemployment. In the other hand, the state finances will remain heavily reliant on foreign aid and vulnerable to external shocks.

**TUNISIA.** Three years after the Arab Spring, Tunisia continues to struggle to improve economic condition, security, and political stability of country. Tunisia's transition comparing to the horrific civil war in Syria, and conflicts in Libya survived. Tunisia is adopting a new constitution, which contains a long list of rights and freedoms, including the usual political, social and economic rights. However Tunisian economy remains weak and political situation of country is unstable. It shows the economic statistics. This country registered growth of 2.6% in 2013, what is significantly below the official forecast (4.5%) and the 2012 level (3.7%). The withdrawing and standstill of Tunisian economy is explained by the worsening of the security situation and fragile social context. In addition, economic problems of Tunisia enhanced the stagnation in the euro area and the 3.3% decline in agricultural production. In spite of some negative symptoms it is observed some resilience of the tourism sector, which plays a key role in Tunisia's economy. Two percent in hard-currency revenues in 2014 gives new optimism for Tunisia's tourism industry<sup>41</sup>.

Tunisia's economic struggles are largely connected with the results of policies of the former Ben Ali regime. According to the report published by the World Bank in 2014, few of these policies have changed since the country's democratic transition<sup>42</sup>.

**LIBIA.** Nearly four years after the death of Muammar Qaddafi post-revolution Libya is largely lawless. The lack of security is a problem for Libyans. It is caused by presence of weapons, which are beyond state control. Consequently, there are many unpredictable acts of violence. The justice system of practices and institutions of governments have not been able to resume normal levels of functionality. Insecurity, armed groups, and firearms create instability in Libya undermining business confidence and decamping security of firms. Popular pictures of Libya present many young, unemployed men with guns roam the streets<sup>43</sup>.

<sup>39</sup> International Monetary Fund, *Arab Countries in Transition: Economic Outlook and Key Challenges: Egypt*, w: <http://www.imf.org/external/np/pp/eng/2014/100914.pdf> [quoted 15.02.2015].

<sup>40</sup> The International Monetary Fund (IMF), *A Transcript of Press Conference Call on the Publication of the Arab Republic of Egypt: 2014 Article IV Consultation-Staff Report*, in: <http://www.imf.org/external/np/tr/2015/tr021115.htm> [quoted 12.02. 2015].

<sup>41</sup> Ph. Trape, M. Chauvin, H. Salah, *Tunisia, "African Economic Outlook"* in : <http://www.africaneconomicoutlook.org/en/countries/north-africa/tunisia/>

<sup>42</sup> *World Bank Report: Breaking with the Past to Unleash Tunisia's Economic Potential*, in: <http://www.worldbank.org/en/news/press-release/2014/09/17/world-bank-report-breaking-with-past-unleash-tunisia-economic-potential> [quoted 12.02. 2015].

<sup>43</sup> F. Mangan, Ch. Murtaugh, F. Bagga, *Who Do You Turn To? Security and Justice in Post Revolution Libya*, Washington: DC Institute of Peace 2014; *Searching for Stability Perceptions of Security, Justice, and Firearms*

Libya's economy is heavily dependent on oil and gas production. According to the International Monetary Fund (IMF), these products accounted for nearly 96% of total government revenue and 98% of export revenue in 2012<sup>44</sup>. One year after Arab Spring many observers were surprised. In 2012 Libyan oil production recovered much faster than had been expected, reaching a near pre-uprising level of 1.4 million barrels per day. This production collapsed in early 2013 as militias and labor groups took control of the oil facilities. Sporadic labor strikes for higher wages in the oil industry progressed soon toward taking over a number of key oil terminals on the coast. By the end of 2013 separatists in the eastern region of Libya declared their “independence”. It was formed an autonomous government, known as the Cyrenaica political bureau which controlled the majority of the oil reserves since there are the majority of the oil reserves<sup>45</sup>.

Libya's GDP growth was rebuilt in 2012, thanks to the relative stability of oil production. Unfortunately it contracted again by almost 14% in 2013. The pessimistic scenario was developed in 2014 with the fall of oil production fall by another 20%. Conflicts between rival militias over the summer of 2014 killed hundreds of people and displaced over 250,000 Libyans. The fall of Tripoli to militias caused a lot of wasted possibilities and many convoluted things happened. The elected parliament had to move to Tubruq and country has left with two competing authorities. The fighting has destroyed public and private property, and country infrastructure<sup>46</sup>. Consequently real GDP continue to fall and it is considerably below the 2012 level.

**SYRIA.** Civil war in Syria is actually described as the biggest humanitarian catastrophe in the modern era. When the crisis in Syria erupted in 2011, nobody predicted how serious, dramatic, and sophisticated it would turn out to be. In 2015 four years of civil war have left the huge number of innocent civilians suffering: more than 200,000 dead, one million wounded, and 6.7 million people internally displaced. Nearly four million are living as refugees outside the country, and 13 million (out of a pre-war population of 23 million) are living in poverty (among them more than five millions in extreme poverty)<sup>47</sup>. It is estimated that more than 60 percent of the population is either internally displaced or has fled the country. Political stalemate in the face of Syria's self-perpetuating spiral of violence caused resignations of two illustrious United Nations special envoys – Kofi Annan and Lakhdar Brahimi.

The civil war creates a situation in which the Syrian people are suffering a double danger. First of all they are victims of a conflict with no end in sight and secondly Syrians are forcing to live in extremely poor conditions. In December 2014, the United Nations addressed the appeal for \$8.4 billion necessary to meet the needs of all those affected by the civil war, both inside and outside Syria in 2015. The requested amount is the largest ever appeal for a single crisis (in 2013 U.N. asked for \$6.5 billion and that previous appeal was only funded

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in Libya, in: <http://www.smallarmssurvey.org/fileadmin/docs/G-Issue-briefs/SAS-SANA-IB1-Searching-for-Stability-Libya.pdf> [quoted 12.02. 2015].

<sup>44</sup> See: *Libya - Analysis - U.S. Energy Information Administration (EIA)*, in: <http://www.eia.gov/countries/cab.cfm?fips=ly> [quoted 22.02.2015].

<sup>45</sup> See: By M. Khan, S. Milbert, *Libya: Facing Economic Collapse in 2014*, in: “Atlantic Council” <http://www.atlanticcouncil.org/en/blogs/menasource/libya-facing-economic-collapse-in-2014> [accessed 12.11.2012].

<sup>46</sup> See: International Monetary Fund, *Arab Countries in Transition: Economic Outlook and Key Challenges: Libya*, w: <http://www.imf.org/external/np/pp/eng/2014/100914.pdf> [quoted 15.02.2015].

<sup>47</sup> See: A. Palacio, *Syria's No-Solution Solution*, “World Affair” in: <http://www.project-syndicate.org/commentary/de-mistura-syria-aleppo-first-by-ana-palacio-2015-02>; *Resilience-based Development Response to the crisis in Syria and neighbouring Countries*, in: [http://www.arabstates.undp.org/content/rbas/en/home/ourwork/crisispreventionandrecovery/successstories/Responding\\_to\\_crisis\\_Syria/](http://www.arabstates.undp.org/content/rbas/en/home/ourwork/crisispreventionandrecovery/successstories/Responding_to_crisis_Syria/) [quoted 14.02.2015].

less than 50 percent)<sup>48</sup>. The estimates prepared by experts the United Nations Economic and Social Commission for Western Asia (ESCWA) and published on April 12, 2013 show that the number of damaged or destroyed homes in Syria reached 1.2 million. It is approximately one-third of the total number of houses in the country<sup>49</sup>.

The figures regularly published at international level constantly confirm that the Arab Spring in Syria has been developed into a humanitarian catastrophe and a political disaster.

### **c) The hope in the future - The European Union's new partnership and strategy**

In the Arab countries, hard-headed realism is replacing the euphoria of the Middle East and North African revolutions. Economic issues, which were the main engine of the Arab Spring, are consequently the source of economic corrections and reforms topping priorities of these societies.

The EU's strategic response to the Arab Spring spreading in the North Africa and the Middle East came as early as 8 March 2011, with the joint communication of the High Representative - Vice President Catherine Ashton and the Commission proposing *A partnership for democracy and shared prosperity with the Southern Mediterranean*<sup>50</sup>.

Political discourse appeared with the eruption of the Arab Spring showing some directions of European soft power policy and credibility of the UE as an actor in North Africa and Middle East. It was clearly expressed by Štefan Füle: “Europe has a vital interest in a democratic, stable, prosperous, peaceful North Africa in its immediate neighborhood. Europe must and will rise to the challenge of supporting democratic transition in North Africa, as it did after the revolutions in Eastern Europe in 1989 /.../. In full co-operation with our Southern partners, we can, we must and we will act swiftly and decisively to help shaping the new Southern Mediterranean. The European Parliament has a great responsibility to ensure that the EU adopts the policies and strengthens the instruments necessary to meet this challenge. We know we can count on your full support”<sup>51</sup>.

In reality, this historic political transitions have still been under way and one of the most important aspects of transformation is the stabilization of the actions of investors and consumers who have been lately confronted with one enormous uncertainty. In Tunisia and Egypt, where the transition to democracy is relatively more advanced, political uncertainty is undermining considerable pre-revolutionary economic achievements.

The European Union has been revising its “neighbourhood policy” in the hope that promotion of economic and political reforms will bring greater integration with the EU<sup>52</sup>. Recognizing the seriousness of the economic challenges in Egypt, Tunisia and Libya the

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<sup>48</sup> See: Mercy Corps, *Quick facts: What you need to know about the Syria crisis Turkey, Iraq, Jordan, Lebanon, Syria, February 27, 2015*, in: <https://www.mercycorps.org/articles/turkey-iraq-jordan-lebanon-syria/quick-facts-what-you-need-know-about-syria-crisis> [quoted 14.02.2015].

<sup>49</sup> According to the United Nations Economic and Social Commission for Western Asia 400,000 houses have been completely destroyed, 300,000 have been partially destroyed, and 500,000 have sustained damages. The majority of housing destruction has happened in conflict areas, such as Aleppo, Damascus, Dar'a, Dayr az Zawr, and Homs. See: USAID, *Syria – Complex Emergency*, April 12, 2013, in: [http://www.usaid.gov/sites/default/files/documents/1866/syria\\_ce\\_fs13\\_04-12-2013.pdf](http://www.usaid.gov/sites/default/files/documents/1866/syria_ce_fs13_04-12-2013.pdf) [accessed 12.02.2015].

<sup>50</sup> See: *A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean*, Joint Communication by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission, Brussels, 8th March 2011, COM 200(2011) p. 1-17; in: [http://ec.europa.eu/commission\\_2010-2014/fule/docs/news/joint\\_communication-a\\_partnership\\_for\\_democracy\\_and\\_shared\\_prosperity\\_with\\_south\\_med\\_en.pdf](http://ec.europa.eu/commission_2010-2014/fule/docs/news/joint_communication-a_partnership_for_democracy_and_shared_prosperity_with_south_med_en.pdf), accessed 21.11.2012.

<sup>51</sup> See: *Speech by EU Commissioner Füle on the recent events in North Africa*, in: [http://www.eu-un.europa.eu/articles/en/article\\_10729\\_en.htm](http://www.eu-un.europa.eu/articles/en/article_10729_en.htm), accessed 12.11.2012.

<sup>52</sup> See: *Choosing new friends. The European Union is struggling to help Arab revolutionaries*, in: <http://www.economist.com/node/18527520>; accessed 12.11.2012.

European Union prepares to address them constructively. It provides the international community with an opportunity to engage the Arab world and to help foster an economic environment that is supportive of the political transitions taking place.

EU leaders expect that a transition of political systems in countries witnessing revolutions has economic costs in the short term, but in the longer term, it will create political stability economic development<sup>53</sup>. The real problem of the post-Arab spring countries is the necessity to decrease of public deficits that makes impossible to continue the simple practice of subsidizing jobs and basic food. Subsidies have a distorting effect on the economy<sup>54</sup>.

|      | EGYPT | TUNISIA |
|------|-------|---------|
| 2002 | 4.6   | 4.1     |
| 2003 | 4.8   | 3.5     |
| 2004 | 6.7   | 5.1     |
| 2005 | 8.1   | 11.8    |
| 2006 | 27.4  | 13.6    |
| 2007 | 25.2  | 15.7    |
| 2008 | 30.9  | 17.7    |
| 2009 | 27.2  | 11.6    |
| 2010 | 26.2  | 11.0    |

3. Food and Fuel Subsidies as % of Government Current Expenditure in Four North African Countries, Source : Albers and Peeters 2011, Boxes 3 and 4.

The Arab Spring dynamism inclined the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy to revamp ENP in their communiqués of March and May 2011<sup>55</sup>. One of the main goals of EU's *Partnership for Democracy and Shared Prosperity* is to build "sustainable and inclusive growth and economic development, especially support to Small and Medium Enterprises (SMEs), vocational and educational training, improving health and education systems and development of the poorer regions"<sup>56</sup>. Economic development is connected with the idea of helping countries to establish democracy and the rule of law, which, according to document *Partnership for Democracy and Shared Prosperity*, means "democratic transformation and institution-building, with a particular focus on fundamental freedoms, constitutional reforms, reform of the judiciary and the fight against corruption"<sup>57</sup>. Socio-economic problems in Arab Spring countries were

<sup>53</sup> See: *A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean*, Joint Communication by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission, Brussels, 8th March 2011, COM 200(2011) p. 3 in: [http://ec.europa.eu/commission\\_2010-2014/fule/docs/news/joint\\_communication-a\\_partnership\\_for\\_democracy\\_and\\_shared\\_prosperity\\_with\\_south\\_med\\_en.pdf](http://ec.europa.eu/commission_2010-2014/fule/docs/news/joint_communication-a_partnership_for_democracy_and_shared_prosperity_with_south_med_en.pdf), accessed 21.11.2012.

<sup>54</sup> See: G. Grin, *The Arab Spring and the European Neighbourhood Policy...*; C. Breisinger, E. Ecker, P. Al-Riffai, *Economics of the Arab Awakening: From Revolution to Transformation and Food Security*, "IFPRI Policy Brief" 18, Washington 2011; D. Larson, J. A. Lampietti, C. Gouel, C. Cafiero, and J. Roberts, *Food Security and Storage in the Middle East and North Africa*, "World Bank Policy Research Working Paper" No. 6031, Washington 2012.

<sup>55</sup> See: *A Partnership for Democracy and Shared Prosperity...*, pp. 1-17; *A New Response to a Changing Neighbourhood: A Review of European Neighbourhood Policy*, Joint Communication by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission, Brussels, 25th May 2011, COM(2011) 303, 21 p.

<sup>56</sup> See: *Shared Prosperity with the Southern Mediterranean*, Joint Communication by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission..., p. 3.

<sup>57</sup> See: *Shared Prosperity with the Southern Mediterranean*, Joint Communication by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission..., p. 3.



closely connected with demands for democratization in the Arab region<sup>58</sup>. Such demands influenced the political outlook of the Middle East and its relations with the EU. The *Partnership for Democracy and Shared Prosperity* stress “a stronger partnership with the people, with specific emphasis on support to civil society and on enhanced opportunities for exchanges and people-to-people contacts with a particular focus on the young”<sup>59</sup>.

| Country        | GDP growth | Unemployment | CPI inflation | 2011 Economic Freedom Score | 2011 Freedom From Corruption Score |
|----------------|------------|--------------|---------------|-----------------------------|------------------------------------|
| <b>LIBYA</b>   | 4.2        | n/a          | 2.4           | 38,6                        | 25                                 |
| <b>EGYPT</b>   | 5.1        | 9.4          | 11.7          | 59.1                        | 28                                 |
| <b>SYRIA</b>   | 3.23       | n/a          | 2.9           | 51.3                        | 26                                 |
| <b>TUNISIA</b> | 3.69       | 14.2         | 3.8           | 58.5                        | 42                                 |

4: Economic Indicators in Libya, Egypt, Syria and Tunisia.

Source: Regional Economic Outlook Update: Middle East and Central Asia (2011)<sup>60</sup>

The EU's main offering involves three issues: money, access to markets and mobility. Credits and market access for Arab countries have been supported by the European Parliament and the European Council as a link between economy and democracy. “The Economist” justifies the new policy as follows: “Policies should be better tailored for each neighbour. Europe cannot change geography, so it will have to deal with all the countries on its rim, democratic or autocratic. But in its circle of neighbours, it must always demonstrate that its best friends are the democrats”<sup>61</sup>.

As far as some facts in the area of finance are concerned, short term increases in the EU's aid to post-Arab Spring countries have been made possible with some budget reallocations. Thanks to new funds available, the amount allocated by the EU to the Middle East and North African countries will increase by 25% in 2012-2013. There have been created some new instruments to promote partnership, such as the “Spring programme”, which triggers reforms and economic growth. The European Investment Bank will be allowed to lend more to the Middle East and North African countries. On the other hand, the European Bank for Reconstruction and Development will be allowed to take a more active role in these countries. The Commission and the High Representative propose to increase funds for the Southern dimension of the European Neighbourhood Policy by 40%, offering them to a total amount of 18 billion euros for the years 2014-2020. In reality, this quasi “Marshall Plan” for the Middle East and North Africa could be limited for the years 2014-2020, taking into consideration financial problems of the EU in the next decade<sup>62</sup>.

The EU's policy towards Arab Spring countries brings high hopes for market liberalization, continuation of progress towards free trade, extending liberalization to agricultural goods and services. Especially when it comes to free trade, the European Commissioner Karel De Gucht stated that “economic development without trade is

<sup>58</sup> See: W. Lacher, *Families, Tribes and Cities in the Libyan Revolution*, in: “Middle East Policy” 4(2011) pp. 140-154.

<sup>59</sup> See: *Shared Prosperity with the Southern Mediterranean, Joint Communication by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission...*, p. 3.

<sup>60</sup> See: Regional Economic Outlook Update: Middle East and Central Asia, <http://www.imf.org/external/pubs/ft/reo/2012/mcd/eng/mreo0412.htm>, accessed 23.11.2012.

<sup>61</sup> See: *Choosing new friends. The European Union is struggling to help Arab revolutionaries*, in: <http://www.economist.com/node/18527520>; accessed 12.11.2012.

<sup>62</sup> See: *The Arab Spring and the European Neighbourhood Policy...*

completely impossible.”<sup>63</sup> That explains why the European Union has established the prospect of “deep and comprehensive free trade areas” with many countries<sup>64</sup>. Post-revolution Arab countries like Tunisia and Egypt will be in the first group of countries benefiting from this new framework. Libya is still not preparing to receive it. Removal of barriers in agriculture and in services will probably create opposition from within the EU. The so called “long term prospect” proposes a solution that the Middle East and North African countries could join together to form an equivalent of the European Economic Area (EEA) – an internal market of the Union. From the critical point of view, the European Economic Area as an economic theory generally considers such a solution to be positive on economic grounds. The main problem is that EEA countries not belonging to the EU will have to sacrifice sovereignty for the sake of belonging to the European internal market. It seems to be unacceptable for the Middle East and North African countries, which do not have the prospect of joining the EU in the future<sup>65</sup>.

Accounts of the toppled governments in Tunisia, Libya and Egypt had been frozen by European banks and governments. Freezing billions of dollars in assets will be releases to get back to post Arab Spring countries. The recovery process of the frozen money will probably cause many tensions between the new governments and Western countries<sup>66</sup>.

The EU’s policy towards Syria is considered as controversial by some countries. A very complex situation in Syria makes the country’s future uncertain. At the moment, a foreign intervention seems very unlikely and the civil war there destroys Syrian economy to an ever greater extent. The EU policy develops financial and commercial sanctions against Syria, travel bans for dignitaries of the Syrian government, asset freezes, an arms and oil embargo and a suspension of cooperation programmes. The EU has also prohibited disbursements by the European Investment Bank (EIB) in connection with the existing loan agreements between Syria and the bank. It has also stopped the continuation of EIB technical assistance contracts for sovereign projects in Syria. In 2012 Catherine Ashton, the EU High Representative for Foreign Affairs and Security Policy, rightly warned against the further militarisation of the Syrian conflict<sup>67</sup>. The EU politics explained the determination of the

<sup>63</sup> See: Euronews, *Are FTAs killing jobs?*, 29.09.2011, in: <http://www.euronews.com/2011/09/29/are-fta-s-killing-jobs/>, accessed 22.11.2012.

<sup>64</sup> See: European Commission, *Directorate-General for Trade Directorate E - , Bilateral Trade Relations USA, Canada and Neighbouring countries*, in: [http://trade.ec.europa.eu/doclib/docs/2012/august/tradoc\\_149855.pdf](http://trade.ec.europa.eu/doclib/docs/2012/august/tradoc_149855.pdf), accessed 23.11.2012.

<sup>65</sup> See: *The Arab Spring and the European Neighbourhood Policy...; Towards a Euro-Mediterranean Economic Area*, in: <http://www.europeanvoice.com/article/imported/towards-a-euro-mediterranean-economic-area/70620.aspx>, accessed 23.11.2012.

<sup>66</sup> See: *Obstacles Mar Quest for Arab Dictators’ Assets*, in: [http://www.nytimes.com/2012/06/08/world/middleeast/libya-egypt-and-tunisia-try-to-recover-assets.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2012/06/08/world/middleeast/libya-egypt-and-tunisia-try-to-recover-assets.html?pagewanted=all&_r=0), accessed 13.11.2012; *The recovery of ill-gotten assets from Switzerland: The Swiss lex Duvalier and Arab kleptocrats*, in: [http://www.globalriskprofile.com/news/detail/the\\_recovery\\_of\\_ill-gotten\\_assets\\_from\\_switzerland\\_the\\_swiss\\_lex\\_duvalier\\_and\\_arab\\_kleptocrats](http://www.globalriskprofile.com/news/detail/the_recovery_of_ill-gotten_assets_from_switzerland_the_swiss_lex_duvalier_and_arab_kleptocrats), accessed 15.11.2012.

<sup>67</sup> See: Council of the European Union, *EU extends sanctions against Syria*, in: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/123015.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/123015.pdf), accessed 15.11.2012; Council of the European Union, *Council tightens EU sanctions on Syria*, in: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/125099.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/125099.pdf), accessed 15.11.2012; Council of the European Union, *EU sanctions against the Syrian regime once more strengthened*, in: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/132847.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/132847.pdf), accessed 15.11.2012; European Commission, *Restrictive Measures (Sanctions) In Force*, in: “Official Journal of the European Union: 2011 July 1, Brussels; Council of the European Union, *Council Implementing Regulation (EU) No 442/2011*; “Official Journal of the European Union” 2011 May 10, Brussels; Council of the European Union, *Council Implementing Regulation (EU) No 504/2011*, in: “Official Journal of the European Union”, 2011 May 24, Brussels.

European Union to protect the Middle East region against the spill-over effects of the Syrian crisis in the neighbouring countries in terms of security and stability. These sanctions are not accepted by great powers, such as Russia and China.

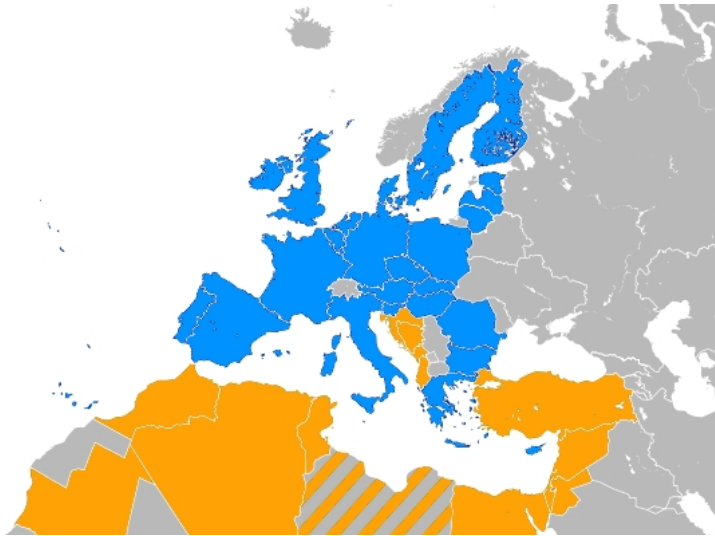
There are some critics of the EU policy toward Arab Spring countries. For example, the MEDPRO (Mediterranean Prospect) researchers, coordinated by the Centre for European Policy Studies in Brussels, consider the EU's answer to the Arab Spring as "shy, centred on the short term and lacking a coherent vision". Miguel Angel Moratinos, the former Spanish foreign minister, presents a similar point of view, explaining that Europe's answer "comes late and is insufficient in political, economic and financial terms"<sup>68</sup>. In MEDPRO publication *Arab Springs spark rethink of EU Policy*, there are three possible scenarios of political and economic contexts in the mutual relation between the EU and post-revolution Arab countries. The first one, named "Red transition – Euro-Med region under threat" is considered as the most disastrous scenario, in which the EU would be unable to achieve cooperation in key sectors, i.e. agriculture, research and education, migration, security and energy. This case would be determined by mounting socio-economic difficulties, political uncertainties and exacerbated tensions, providing opportunities for terrorist organisations and radical movements to take hold. The second case, called "Green transition – 'Euro-Mediterranean common union'" would be the best-case scenario. It would be developed under the auspices of the Union for the Mediterranean (UfM) as a mechanism to revive trans-Mediterranean relations. It would create an integrated union with a common market, following the European Economic Area (EEA) model, settling current tensions and conflicts in the Euro-Med region and emergencing of a tri-polar world (United States, China and Euro-Med). Finally, the third scenario – "Blue transition – 'Euro-Mediterranean alliance'" would be considered as a looser integration with the EU and Northern Mediterranean countries on the one hand, and Southern Mediterranean countries on the other. In this case, the EU enlargement policy would become obsolete as Southern Mediterranean countries do not join the EEA. However, they sign an Alliance Treaty with Europe under a new UfM framework. Moreover, related countries and sub-regions within the North and South would work in association towards the same aims of peace, security and sustainability, but as distinct geographical regions in a multi-polar world. It would be likely that the current Arab-Israeli and Western Sahara conflicts will be not resolved<sup>69</sup>.

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<sup>68</sup> See: *The Arab Spring and the European Neighbourhood Policy...*; Bulletin quotidien Europe (Europe Daily Bulletin), Brussels, 13.10.2011, p. 6; Bulletin quotidien Europe (Europe Daily Bulletin), Brussels, 13.01.2012, p. 13; M. Leonard, *Europe's Multipolar Neighbourhood*, Strategic Europe 2011.

<sup>69</sup> See: Scop. Socio-economic and Humanities Research for Policy, *MEDPRO - Arab Springs spark rethink of EU Policy*, in: <http://scoopproject.org.uk/medpro-arab-springs-spark-rethink-of-eu-policy.aspx>, accessed 16.11.2012; A. Ghoneim, *Shallow versus Deep Integration between Mediterranean Countries and the EU and within the Mediterranean Region*, "CASE Network Report" 96(2011).





5: Union for the Mediterranean (UfM)

It is still an open question if the Arab awakening was a priority for European foreign policy in 2011. EU used active diplomacy, special envoys, sanctions and military action but it seems to be a technocratic, and maybe a too short-sighted response<sup>70</sup>.

Daniel Möckli, a researcher at the Center for Security Studies (CSS) and head of its Strategic Trends Analysis Team at the Swiss Federal Institute of Technology in Zurich, in his *Analysis in Security Policy*, stresses that “The Arab awakening has been a painful reminder of how marginal the EU’s role in many neighbouring countries still is. The revolts and revolutions that have shaken the MENA region mark the strategically most relevant development in Europe’s neighbourhood since the demise of the Soviet Union. Yet, sanctions aside, these events have unfolded with the EU largely as a bystander. Forging an answer commensurate with the size of the challenge would have been a daunting task for the EU even at the best of times. Doing so at a time of its own weakness is simply beyond its reach. [...] Moreover, even if the EU were in a position to give MENA countries what they wanted, the latter might still turn down European assistance if tied to too many conditions.”<sup>71</sup>

Analyzing the range of poverty and economic impact of the Arabi Spring, the UE experts try to evaluate future prospects for the post-revolution Arab countries. According to them, Tunisia possesses the most favourable conditions for future development. The economic situation in Egypt is difficult but it has demonstrated some improvements. The very difficult situation is in Libya and even harder in Syria. In these countries changes will not just take years, but probably decades. Libya and Syria are important oil producing countries and it could bring them income helping in economic restructuring and progress. For the governments of this countries are three important priorities: the end of the conflicts, restoring rule of law and establishment of unity of the state.

The most important factors for the future of the Middle East and North African countries are internal ones. Nowadays, the most difficult questions to answer are the fundamental problems in which terms of stability will be established. They are very important debates about democracy, the rule of law and human rights<sup>72</sup>.

Faced with public revolts and EU suggestions, Arab governments need a fundamental rethinking of the social contract to overcome poverty. The new Arab world needs to apply a new development paradigm that is based on inclusive private sector. The EU’s role is to

<sup>70</sup> See: J. Vaïsse, H. Kundnani (eds.), *European Foreign Policy Scorecard 2012*, London 2012, p. 96.

<sup>71</sup> See: D. Möckli (ed.), *Strategic Trends 2012: Key Developments in Global Affairs*, Zurich 2012, pp. 50-51.

<sup>72</sup> See: F. Bicchi, *The Union for the Mediterranean, or the changing context of Euro-Mediterranean relations*, in: “Mediterranean Politics” 16(2011) pp. 3-19; B. Mikail, *France and the Arab Spring: An opportunistic quest for influence*, in: “FRIDE Working Paper” 110(2011);

strengthen attempts at economic integration, which have been frustrated by internal rivalries, dependence on external great powers and lack of the complementary production structures. The segmentation of Arab countries into separate geographic zones imposes a wide range of costs on the region cutting off local markets from each other. The promotion of regional economic integration between the Middle East and North African countries would be a very positive policy to conduct.

The rapid economic deterioration across the region, in addition to high expectations raised by the onset of political transition, is creating a new sense of urgency among the emerging political actors to develop more detailed economic programs and to address the economic grievances of their populations. Islamists' discourse centered previously on political themes, highlighting issues related to political participation, inclusiveness, and democratic reforms. But in recent election campaigns, the rhetoric has shifted from politics to economics<sup>73</sup>.

The UE's influences are shown in economic programs of the emerging political players, including the Islamist parties, who stress the necessity of a large market, emphasize the role of the private sector in driving economic growth, and recognize the need to attract foreign capital. In Tunisia and Egypt, the political Islamists had the limited time of their political activity. They did not create jobs and improve the economic situation. In Egypt they experienced popular dissatisfaction with its regimes, what had led to the new revolts.

The new Arab governments must face up to a serious challenge with respect to managing high expectations connected with income, and standards of living. Cooperation with the UE can help new Arab governments take steps toward managing and tempering high public expectations. According to Sinan Ülgen, a visiting scholar at Carnegie Europe in Brussels, there is only one practical economic recipe for short-term job creation in the Middle East and North Africa. Namely, it involves investments in large-scale public works, creating labor-intensive projects that will help address the problem of rising unemployment. The European Union can help the Arab world launch and sustain such initiatives in four ways: increasing the amount of promised financial assistance which would support a more effective long-term job-creation strategy and boost the labor market in the short term, providing technical expertise to Arab policymakers on debt management, establishing a secure and predictable legal and regulatory framework for public-private partnerships to undertake large-scale infrastructure projects and boosting growth and efficiency mainly in the longer run<sup>74</sup>.

The positive element about the new EU's policy toward Arab countries is a wide perspective for action, which means a great combination of many aspects. One of the biggest problems is the EU's weakness in competition with the Gulf Arab states, which are top investors in North Africa, partially offsetting a drop in Western investment because of economic crises in Europe and the United States. For example, Saudi food group Savola bought out two Egyptian firms in late 2011. Nowadays, the big and powerful private sector in the Gulf is looking overseas, in the direction of post-Arab Spring countries<sup>75</sup>.

The EU as the specific union, will not use the military power to stabilize Middle East and North African region, but it has useful economic and political tools. Some analytics worry about the artificial promoting of democracy in Europe's development policy. Europe dreams

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<sup>73</sup> See: T. Schumacher, *The EU and the Arab Spring: Between Spectatorship and Actorness*, in: "Inside Turkey" 3(2011), pp. 107-119; R. del Sarto & T. Schumacher, *From Brussels with love: leverage, benchmarking, and the Action Plans with Jordan and Tunisia in the EU's democratization policy*, in: "Democratization" 4(2011) pp. 932-955.

<sup>74</sup> See: S. Ülgen, *Bring the Revolution to Arab Economies*, "Globe and Mail", July 13, 2012; in: <http://carnegieeurope.eu/publications/?fa=48854&lang=en>, accessed 15.11.2011.

<sup>75</sup> See: Reuters Summit, *Investment recovering in Arab Spring economies*, in: <http://www.reuters.com/article/2012/11/15/mideast-summit-investment-idUSL5E8M85AB20121115>, accessed 23.11.2012.

about energy security, fighting terrorism, managing migration etc. After the fall of the old Arab allies, the stability of the EU is partially questioned and paradoxically democracy offers a possibility of widespreading the radical Islam<sup>76</sup>.

The above mentioned aspects have made Arab revolutions increasingly difficult for the EU. The new governments are not *domaine réservé* for the European Union, and the EU is not the only model and the only path for socio-economic development of the Middle East and North Africa<sup>77</sup>. New governments of Arab countries will probably act more independently in the future. In this context, the EU's offers of an "enlargement neighborhood" could be at least questioned or, even more probably, rejected. However, changes in the geopolitical and regional contexts of the Middle East and the North Africa inspire the EU's politicians to act in an even more complex way to protect the EU's regional influence. It is worth noting that despite the unexpected magnitude of these uprisings, the EU has been quick to recognize the challenges of the political and economic transition faced by the region as a whole. It has also recognized the need to adopt a new approach to relations with its Southern neighbors. As a consequence, the EU tries to find adequate actions resulting from deep analysis. This analysis indicates a necessity of a combinatorial method indeed, flexibility and capacity to assess complex multidimensional and effective policy.

## Conclusion

Four years after the Arab Spring the European Union has provided a new opportunity to revise its languishing relations with North Africa and the Middle East. The change of government in Tunisia, Egypt and Libya, and also sophisticated civil war in Syria has led to a proliferation of militias and the emergence of a war economy led by new elites. The poverty create many current problems like inflation, soaring unemployment, a shortage of basic goods, a weakening currency and financial system, economic reconstruction efforts. Indigence will broaden with troubling new realities: a vast informal economy and black market; the rise of militia leaders as business actors, rent-seekers and patronage distributors; unemployed fighters who will need to demobilize and rejoin civilian life; and rising sectarianism coloring many aspects of economic, political, and social life<sup>78</sup>. In this context it's easy to be pessimistic about the possibilities of mitigation of negative economic effects of Arab Spring.

The European policy against poverty in the Middle East and the North Africa is connected not only with economy but also with protection of political freedoms and civil rights. A strategic priority for the EU is patronage of economic development of this region. There is a special causal link between poverty and terrorist activities. However it appears that in the Middle East poverty is a multidimensional problem that goes beyond economics to include, among other things, social, and cultural issues and politically motivated violence.

One cannot find a magic solution to poverty. One of the fundamental keys antipoverty strategy is economy. The successful future of the Post Arab Spring countries imposes new economic. Every Post Arab Spring country has a very difficult piece of work to fight poverty and social exclusion. For example for **Egypt**, on the external side, will be important

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<sup>76</sup> See: T. Behr, *The EU and Arab Democracy*, in: T. Behr (ed.), *Hard choices: The EU's Options in a Changing Middle East*, FIIA Report 28/2011, April 2011, pp. 82-87.

<sup>77</sup> See: R. Balfour, *The Transformation of the Union for the Mediterranean*, in: "Mediterranean Politics" 14(2009), pp. 99-105; T. Behr, *What Future for the Union for the Mediterranean?*, in: "FIIA Comment" 1(2010); T. Behr, *The European Union's Mediterranean Policies after the Arab Spring: Can the Leopard Change its Spots?*, in: "Annuaire Français des Relations Internationales" (<http://www.google.pl/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CCoQFjAA&url=http%3A%2F%2Fwww.fria.org>), accessed 12.11.2012).

<sup>78</sup> See: F. Itani, *The Economics of Civil War in Syria*, in: <http://www.acus.org/viewpoint/economics-civil-war-syria>, accessed 15.04.2013.

preserving reserves and supporting competitiveness. Furthermore, promoting the private sector, a transparent medium-term fiscal framework, restoring competitiveness and modernizing insolvency and land laws is considered. In **Tunisia** it is necessary to reduce economic disparities between the more developed coastal region and the impoverished interior. In this country economic model remains the same as was in place before the revolution. Tunisia suffers high unemployment—particularly among the youth (31.4 percent unemployment rate as of March 2014, with a significant 40.8 percent rate for women). Much more difficult problems faces **Libya**. It should reduce the fiscal deficit to 30 percent of GDP and slowing the decline of official reserves. Official reserves and oil revenues are not safe because the Libyan's security situation worsened. In this situation, the most important priorities are to end the conflict and restore rule of law as well as the unity of the state. And finally, Libya should move away from total dependency on oil, creating alternative sources of incomes. The most dramatic Syria needs first of all de-escalate the conflict in order to provide a reprieve for the country's long-suffering civilians<sup>79</sup>. It seems to be the first step towards a political solution to the conflict. The second step to combat this crisis demands specific and increased commitments from the international community to help alleviate the suffering. Antipoverty policy in Syria will have to include the priorities like fully fund the aid response, offering refugees resettlement and the end of embargo to all sides of the Syrian conflict<sup>80</sup>.

The Union European antipoverty policy towards the Post Arab-Spring countries should also be more visible in macroeconomic plan. First of all, it is very important to promote good governance. Transparency and governance are areas where the Middle East has to improve significantly. Secondly this region needs more jobs for the youth and women. EU should support many constructive transformation in the Middle East like: need to change the perception of the state as chief employer, creating education systems that lead to productive employment, and designing labor market regulations that protect workers without unduly constraining employers. Poverty could be also reduce by improving the business climate.

Finally, we should not forget political mechanism, which is the one of the greatest challenges for the Arab transition countries. The new Arab governments obviously balance between the long term and the short term. The governments prefer the short-term populist measures. They have been afraid to take a clear long term economic reform path. Nonetheless the success of antipoverty policy and sustained economic growth with significant job creation will only come about if the Post Arab Spring countries become more market-oriented allowing the private sector to take a leading role. Without these reforms economic and political goals of the Arab uprisings would be threatened. The lack of reform will cause not only the new economic failure in the Middle East but also new waves of poverty. It could lead to another round of political instability and bloody upheaval.

<sup>79</sup> UN chief appeals for 'immediate de-escalation' as step towards political solution for Syria, in: <http://www.un.org/apps/news/story.asp?NewsID=50145#.VPiXUP4tFdG> [quoted 23.02.2015].

<sup>80</sup> OXFAM America, *A Fairer Deal for Syrians. International commitments needed to arrest the deepening crisis in Syria and the region*, in: <http://www.oxfamamerica.org/explore/research-publications/a-fairer-deal-for-syrians/> [quoted 12.02.2015]; *The Politics of Poverty. 5 steps the US can take to end suffering in Syria*, in: <http://politicsofpoverty.oxfamamerica.org/2014/06/five-steps-us-end-suffering-syria/> [quoted 12.02.2015].

CHILD LABOUR: WITH SPECIAL REFERENCE TO INDIA

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## ABSTRACT

This publication titled “CHILD LABOUR WITH SPECIAL REFERENCE TO INDIA” provides readers with a complete overview of child labour and its issues from INDIAN context.

The combination of poverty and lack of social security network form the basis of harsher type of child labour a bounded child labour. For the poor there are very few sources of bank loans, governmental loans or other credit sources, and even if other sources are available. They are in the form of local moneylenders that ultimately results in bounded child labour.

Child Labour is a multidimensional problem. Illiteracy, poverty, size of family, wage rates, schooling, etc. are the major factors for the occurrence of child labour. Parents view that more children mean more earnings and hence they force their small once to do work in different places with different situations, with different people, in different environment and with different people.

It is a global issue but I will be dealing with India.

The republic of India is suffering from the disease of child labour. Children are understood as an asset not for the family but for the family income. They are made to do the work for some of the reasons, which are:

First, to supplement the family's income so that they can afford their expensive lives. This is one of the main reasons why child labour is prevailing in the country like India.

Secondly, child labour is because of their family tradition. They want their children to be perfect in their own professions.

In India, the problem of child labour continues to pose a challenge before the nation. Government has been taking various pro-active measures to tackle this problem.

About 250 million children between the ages of 5 to 14 work in developing countries and at least 120 million on a full time bases. 61% of these are in Asia, 32%in Africa and 7% in Latin America. They work in agriculture and as domestic labourers.

Way back in 1979, government formed the first committee called GURUPADSWAMY committee to study the issue of child labour and to suggest measures to tackle it. The committee examined the problem in detail and made some far-reaching recommendations. It was observed that as long as poverty will prevail in India, the removal of child labour would be very difficult or to some extent impossible and any actions to abolish it would not be a particle preposition.

*‘OH GOD! LET MY EYE VIEW BE FIRM IN ORDER THAT ALL CREATURES MAY LOOK AT ME BY FRENDLY SIGHT. IN THE SAME WAY I ALSO MAY SEE ALL CREATURES WITH FRENDLY SIGHT AND ALL OF US CREATURES MAY SEE EACH OR OTHER IN FRIENDLY VIEW.’ (Yajurveda-36, 18)*

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## INTRODUCTION

Child Labour is the greatest evil prevailing in the society. It represents the largest cause for child abuse. It is most commonly in the minorities, as they prefer their child to better run their shops or help them in their domestic work or family businesses or even in agricultural activities. Now the whole scenario is changing from a child labour oriented society to a child labour free society and are thinking towards the abolition of child labour. If we look at one of the example except India then in Pakistan, in 1992, around two-third of the 1.5 million, which is estimated, employed were children. Actually one of the reason is that children basically are not status oriented so if they are paid less or not even paid then also they are ready to work in different hazardous factories and mills and the work they do is unremitting. In that case, the educational opportunities decrease and become extinct from their lives and if they fall ill then they must fend for themselves or are sent home. A culture of "social apartheid" often feeds this practice, and the belief that employers are somehow acting as benefactors have been described as unshakeable.<sup>1</sup>

If they are engaged in such hazardous work, which is taking away, there opportunities then it affects their fullest growth. Different legislations are formulated to prevent this menace or threat of child labour. But unfortunately children are the most deprived section among the population who are forced and pushed towards this type of work that will pay them much less then the contribution they make and which will make them sacrifice their much needed educational opportunities. Rapidly growing population, which is followed by poverty and ignorance toward this section of the society, and increasing dependency are behind the grim incidence of children employment in different fields in villages and towns of developing countries like India. Though India is signatory of various international Conventions and Agreements, there is growing number of child labour in India. They work under very hazardous conditions. Given the magnitude and complexity of the problem, this article is an attempt to formulate integrated approach and various intervention strategies towards eradication of the problem of child labour.<sup>2</sup>

There is a never-ending debate going on what the status of child labour is, whether it can be eradicated from the different parts, whether it can be called off from the socially backward and economically backward families? Nobody still knows and wants to know it because the way our civilians are grown and growing, the more they are forced to have their children in the fields of heat and immense pressure of earning their bread and butter.

But if we think other way round then why the children are restricted from doing any work and terming it as a child labour and an illegal profession? The answer not lies in any author's book or any articles but lies in the very word child. Childhood is the initial years of our life and it has to be strong so that they can survive in this world full of opportunities on the one hand and no opportunities on the other. It's just like the big skyscrapers, which are built on a flat and dusty

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<sup>1</sup> Child Labour: Vast Problem Whose Effects On Children's Health Remain Largely Unstudied Author(s): Thomas J. Scanlon, Vivien Prior, Maria Luiza Nobre Lamarao, Margaret A. Lynch and Francesca Scanlon Source: BMJ: British Medical Journal, Vol. 325, No. 7361 (Aug. 24, 2002), pp. 401-403 Published by: BMJ

<sup>2</sup> Child Labour In India: An Overview by Gangabhushan M. Molankal



surface. If the very basic level of the skyscraper is not hard as steel then there is a danger of falling and restoring itself again to that empty plot of a huge land. Similarly if the very basic years of the child are being passed in his own employment then he might get the worst out of worse. To reach a stage there are certain steps, which you have to climb and reach otherwise, you might fall in between and then the situation might get worse than before. Childhood is a step which is depended and not self depended. If you will make that childhood self-dependent then it can be a bird with no wings that can run but cannot fly.

So, we should be having some alternative to eradicate this evil prevailing in our society. There should be a step, which can eradicate the roots of that tree on which the buds of child labour are growing and safeguard children. Like the Indian constitution has enacted article 24, for those who are affected from the cold winds in this winter like trend for child labour, which says prohibition of employment of children in factories, etc. if I try to elaborate it then I would say that if a child is below the age of 14 years then he/she cannot be employed to work in any factory or mine or engage in any other 'hazardous' employment. Reason behind this is the health and strength of young persons.

There are some acts enacted for the benefit of the children who are or can be exploited. The Child Labour (Prohibition and regulation) Act, 1986, The Children (Pleading of Labour) Act, 1933, The Children Act, 1960, The commissions for Protection of Child Rights Act, 2005 and The Protection of Human Rights Act, 1993.

In Article 24 of the Indian Constitution, there is a particular word discussed and which is important because it restrict a child to enter into such field i.e. Hazardous. But what actually is hazardous work?

### **What is hazardous work?**

Most child labour, 71 percent, is found in agriculture and fishing. The main tasks in agriculture include working with machinery and agrochemicals, and picking and loading crops. Hazards may include unsafe machinery, hazardous substances (insecticides, herbicides), heavy lifting and extreme temperatures. In deep-sea fishing, children might be diving to depths of up to 60 meters to attach nets to coral reefs, risking exposure to high atmospheric pressure and attacks by carnivorous and poisonous fish.

In manufacturing, where 8.3 per cent of child labour is found, items such as glass bangles, matches, fireworks or bricks might be made. Hazards occur in the form of noxious fumes and radiant heat from the molten glass; stepping on or handling hot broken glass; exposure to hazardous chemical mixtures; stuffing cracker powder into fireworks, risking fire and explosion; exposure to silicate, lead and carbon monoxide; carrying excessive weights; and burns from ovens through the processing of clay in the making of bricks.<sup>3</sup>

Even in the poor countries, they focus on the development in the fields of defense and army and spend lots on arms and ammunitions purchase. They sometimes are least bother about the children, which are living there and are not having their meals. In this prospective, the arguments

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<sup>3</sup> Human Development Report 2000, UNDP, 2000

advanced by many countries to explain the sale and trafficking of children on their territory, that they are “due to poverty,” is not totally convincing.<sup>4</sup>

In an article by Dr. Alka Mishra, she expresses her views on child labour and different laws and clearly states the condition of the child labour and the laws prohibiting such exploitation. She intensely and profoundly analysis the problem faced by child itself and the society and what are the reasons behind such kind of evil. After such deep analysis she found two reasons behind the poor performance and implementation of law, first being the concern of poor households being depended on earnings of children and the second one being inability to enforce the ban child labour in situation of poverty. There comes the main work and aim for such NGOs which are working towards eradication of child labour to teach and make them understand and counsel them the importance of child and childhood and the future and the opportunities which can be destroyed by evils like child labour.<sup>5</sup>

In one of the paper by Hasnaim Ali and Mr. Samsuddin Khan, problems such as violence, child trafficking and etc. are elaborated which occur hand-in-hand with child labour. The required solutions to this problem are also proposed. Also, various national and international schemes have been discussed. In India, there too have been great efforts to eradicate this problem such National Child Policy of 1974, National Human Rights Commission, Right to Education, Right to Food, Day care for children, but still the problem persist. The main reason behind the persistence may be the lack of awareness in public. Overpopulation has also been discussed as a cause for Child Labour.<sup>6</sup>

In the study conducted by D.P. Chaudhari and E.J. Wilson, it has been found that there is a decline in child labour, but, there is still overwhelming population in rural areas which is engaged in child labour. Looking into age group of 10-14 years, there seems a great need for new and stricter policies to curb this evil. There are also some inter-states variations seen in the records, which clearly show there is a lack of executions and awareness. Here, it has been concluded that government’s policies cannot be implanted to some effect unless there lays a coordination between executionary authorities and voluntary organizations.<sup>7</sup>

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<sup>4</sup> United Nations report on child prostitution

<sup>5</sup> Enforcing Ban on Child Labour in India, A Sociolegal Perspective by Dr. Alka Mishra

<sup>6</sup> The Overcoming of Child Labour in India by Hasnaim Ali and Mr. Samsuddin Khan

<sup>7</sup> Challenges of child labour in rural areas by D.P. Chaudhari and E.J. Wilson

## **HISTORICAL BACKGROUND**

In India, child labour is not a new menace. It is there in the roots of the India since the time immemorial in one form or other which always bothered the country and is been dynamic and keeps on changing according to the changing culture. With the dawn of industrialization and organizational and civilization in 19<sup>th</sup> century, factories came into the existence especially of handicrafts, agriculture started to build-up; this gave rise to landless labour. And following this situation, there started a never-ending streak of the poor who just drifted from rural to place where urbanization was taking place in search of livelihood. Now as the factories were growing and expanding itself to different fields, they required cheap and hardworking labour who can help them to earn what they wanted to. Children started coming into picture and the employers started employing both on farms and in factories because they were having the potential to work for long hours with minimum wage and long-suffering labour force as against the adults who could be more challenging and hence more arduous to handle. Children can be easily controlled, tortured, exploited and don't have any fear of losing their status by doing petit work. Furthermore, children are more suited to jobs like brick making, silk spinning and carpet weaving etc. Their cheapness and remote possibility of collective bargaining on their part makes them vulnerable and induced producers to employ and exploit the child labour.

Children had always worked, especially in farming. But factory work was hard. A child with a factory job might work 12 to 18 hours a day, six days a week, to earn a dollar. Many children began working before the age of 7, tending machines in spinning mills or hauling heavy loads. The factories were often damp, dark, and dirty. Some children worked underground, in coalmines. The working children had no time to play or go to school, and little time to rest. They often became ill.

## DEFINITION

First of all before going into the concept of child labour we should know the basics related to it, basic such as the word 'Child' which is defined differently by different authors and authorities. One of the great renowned romantic poet Wordsworth who said it all when he wrote, "*The Child is the father of a man*". A child is a National Asset who will run the country and will rule the world in future and the society is having the responsibility to safeguard them and their rights and act as a guardian to them and not to exploit them, which the society is expert in. The United Nations Convention on the Rights of the Child ("UNCRC") defines childhood as extending to the age of eighteen unless domestic law provides otherwise.<sup>8</sup>

Different authors and writers define Child and Childhood both differently. A Child may not necessary demarcated on the bases of a fixed age. Like for example if they are defined from the scientist point of view then they point out that children's abilities and maturities can so much vary that defining a child's maturity by calendar age can be misleading.<sup>9</sup>

Childhood is greatly followed by *Child Labour*, which is the most destructive end, where the childhood is used as a prostitutes and virtual slaves and bonded labour, to bring the employers at the par, because of their parents or grandparents, who works with them in the hazardous industries, and repay debts incurred by them.

### **Child labour as defined by International Labour Organization:**

Work that places too heavy a burden on the child; work that endangers his safety, health or welfare; work that takes advantage of the defenselessness of the child; work that exploits the child as a cheap substitute for adult labour; work that uses the child's effort but does nothing for his development; work that impedes the child's education and training and thus prejudices his future.

Among adults the term "child labour" conjures up a particular image: "*children chained to looms in dark mills and sweatshops, as if in a long nightmarish line running from Lancashire in the 1830s right through to the South Asia of today.*"

In reality, children do different types of work in widely divergent and worst conditions. This work takes place along a continuum, from work that is beneficial, promoting or enhancing a child's development without interfering with schooling, recreation and rest to work that is simply destructive or exploitative. There are vast areas of activity between these two poles.

"*Even the journey of ten thousand miles start with a step*"- Lao Tzu

But in India, there have been great efforts to eradicate this evil such National Child Policy of 1974, National Human Rights Commission, Right to Education, Right to Food, Day care for

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<sup>8</sup> Convention on the Rights of the Child, Nov. 20, 1989.

<sup>9</sup> Law Relating to Child Labour and Welfare by Amitabha Roy

children, but still the problem persists. The main reason behind the persistence may be the lack of awareness in public. Overpopulation has also been discussed as a cause for Child Labour.<sup>10</sup>

We saw that what all includes the child labour but now what is not a child labour is another view to see what is a child labour. Children who are engaged in with their parents with different profession like domestic or agricultural activities or any family business during socialization process and which is not at all hampering their educational opportunities and normal growth, cannot be termed as a child labour.

But there are many more reasons for child labour which are sometimes unseen or ignored due the fact that are irrelevant and doesn't contribute to this social evil.

- Lethargic attitude of implementing agency
- Profit motive tendency and no social responsibility
- Caste and feudalistic system: There is a kind of custom that children are less paid due to their lack of biasedness towards that status in the society if they are less paid, they are not having any shame in doing work of any kind which will affect their status, they don't get tired easily and are ready to work for  $n$  number of hours, their maintenance is less expensive and have good ability to work with quickness and get adopted any kind of environment.
- Lack of awareness: they are not aware of the fact that how much the child labor effects the child and his/her growth when they work in the industries where opportunity to grow mentally and physically is almost negligible.
- Lack of especially in the fields of compulsory and free education
- Population growth: More the population, the more will be the child labor which is directly and indirectly have a link with poverty.
- Lack of social security
- Public apathy
- Social acceptance for family businesses
- Implementation of laws
- Flaws in laws

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<sup>10</sup> The overcoming of child labour in India by Hasnaim Ali and Mr. Samsuddin Khan

## NATIONAL LAWS

A number of legislative initiatives have been undertaken at both levels. The major national legislative developments include the following:

- **The Child Labour (Prohibition and Regulation) Act, 1986:** The Act prohibits the employment of children below the age of 14 years in 16 occupations and 65 processes that are hazardous to the children's lives and health. These occupations and processes are listed in the Schedule to the Act. In October 2006, the Government has included children working in the domestic sector as well as roadside eateries and motels under the prohibited list of hazardous occupations. More recently, in September 2008 diving as well as process involving excessive heat (e.g. working near a furnace) and cold; mechanical fishing; food processing; beverage industry; timber handling and loading; mechanical lumbering; warehousing; and processes involving exposure to free silica such as slate, pencil industry, stone grinding, slate stone mining, stone quarries as well as the agate industry were added to the list of prohibited occupations and processes;
- **The Factories Act, 1948:** The Act prohibits the employment of children below the age of 14 years. An adolescent aged between 15 and 18 years can be employed in a factory only if he obtains a certificate of fitness from an authorized medical doctor. The Act also prescribes four and a half hours of work per day for children aged between 14 and 18 years and prohibits their working during night hours.
- **Indian Mines Act, 1952:** The Act prohibits the employment of children below 18 years of age in a mine. Further, it states that apprentices above 16 may be allowed to work under proper supervision in a mine. Section 40 is coming into picture.
- **The Juvenile Justice (Care and Protection) of Children Act, 2000:** This Act was last amended in 2002 in conformity with the UN Convention on the Rights of the Child covers young persons below 18 years of age. Section 26 of this Act deals with the Exploitation of a Juvenile or Child Employee, and provides in relevant part, that whoever procures a juvenile or the child for the purpose of any hazardous employment and keeps him in bondage and withholds his earnings or uses such earning for his own purposes shall be punishable with imprisonment for a term which may extend to three years and shall also be liable for fine.
- **The Minimum Wages Act, 1948:** Prescribes minimum wages for all employees in all establishments or to those working at home in certain sectors specified in the schedule of the Act. Central and State Governments can revise minimum wages specified in the schedule.
- **The Right of Children to Free and Compulsory Education Act, 2009:** Provides for free and compulsory education to all children aged 6 to 14 years.

An important judicial intervention in the action against child labour in India was the M.C. Mehta case (1996) in which The Supreme Court, directed the Union and state governments to identify all children working in hazardous processes and occupations, to withdraw them from work, and to provide them with quality education. The Court also directed that a Child Labour Rehabilitation-cum-Welfare Fund be set up using contributions from employers who contravene the Child Labour Act.<sup>11</sup>

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<sup>11</sup> International Labour Organization (ILO)

- **Guardians and Wards Act, 1890:** Section 17 of this act says that “ the matter to be considered by the court in appointment guardian.”
  - **Children (Pledging of Labour) Act, 1933:** Prohibits pledging of labour and protects children from exploitation.
  - **Bonded Labour-System (Abolition) Act, 1976:** It is not directly concerned with the child labour; object is to protect the interest of poor, unorganized and illiterate workforce.
  - **Indian Contract Act, 1872:** Section 11 of this act make sure that minor is not getting into any type of contract. If he gets into the contract then it will be *void ab initio*.
  - **Merchant Shipping Act, 1956:** Section 109 make restrictions and protect the rights who are under 14 years of age.
  - **Bidi and Cigar Workers (Condition of Employer) Act, 1966:** Section 24 is also making sure that child workers are not indulge in activities carried on by these hazardous industries.
- Plantation Labour Act, 1951: Section 26 of this act states that non-adult workers to carry token. No child and no adolescent shall be required or allowed to work in any plantation unless a) A certificate of fitness granted with the reference to him, under section 27 is in the custody of the employer; and b) Such child or adolescent carries with him while he is at work token given a reference to such certificate.
- But there are provisions for education along with restrictions to working hours.
- **Atomic Energy Act, 1962:** Section 30, has formulated “Radiation Protection Rules, 1971” and rule 5 prohibits the employment of a person below 18 years as “ radiation workers”.

## CONSTITUTIONAL LAWS

The Constitution of India (26 January 1950), through various articles enshrined in the Fundamental Rights and the Directive Principles of State Policy

Clause 3 of article 15 enables the State to make special provisions *inter alia* and article 24 safeguards the children from the exploitation by not allowing the children below the age of 14 to work in the hazardous industries or mine or in the factories. Right to Education has now become a fundamental right of the children under Article 21A (by Eighty-sixth Amendment) Act 2002.

Two reasons behind the poor performance of law, first being the concern of poor households being depended on earnings of children and the second one being inability to enforce the ban child labour in situation of poverty.<sup>12</sup> The national political will and commitment, to eliminate child labour as also to regulate the conditions in which children work, have been reflected in an abundant measure in the constitution and laws of the land.

There are certain provisions of the constitution, which have a direct bearing on child labour.

### Article-15 (3)

Nothing in this article shall prevent the State from making any special provision for women and children.

### Article 21 (A)

The State shall provide free and compulsory education to all children of the age six to 14 years.

### Article-23

Prohibition of employment of human beings and forced labour

Traffic in human beings, beggar and other similar forms of forced labour are prohibited and any contravention of this provision shall be an offence in accordance with law.

### Article-24

Prohibition of employment of children in factories or mine or engaged in any other hazardous employment

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<sup>12</sup> Enforcing ban on child labour in India-A socio-legal perspective by Dr. Alka Mishra



No child below the age of fourteen years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

Apart from the fundamental remedies, our Constitution has also formed certain provisions which are there and forms a part of Directive Principles of State Policy aiming that a child must be given all the opportunities and basic facilities to at least to grow in a healthy manner and make his/her life worth living.

### **Article 39**

Article 39 of Constitution of India is having certain DPSP mentioned in Part IV of the Indian Constitution. One of the objectives to clause 'e' of Article 39 is that the tender age of children is not abused and they are not forced by the economic compulsions to enter any such activity, which doesn't suit their age or strength. Objective of clause 'f' of Article 39 is about securing that children are given opportunities and facilities to develop in a healthy manner and live in a free environment where they are not forced to leave their opportunity and work for few pennies and protected against exploitation by various sources.

The state shall, in particular, direct its policy, securing:

(e) That the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter a vocation unsuited to their age or strength.

(f) Those children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and that childhood and youth are protected against exploitation and against moral and material abandonment.

### **Article-45**

This article comprehends the provision for free and compulsory education for children. The state shall endeavor to provide within a period of ten years from the commencement of this constitution, for free and compulsory education for all children until they complete the age of fourteen years.<sup>13</sup> It directs the state to make provision for early childhood care and provide education till he/she attains the age of six years. Article 41 and 46 are also inclined towards spreading the education among them.

### **Article-47**

This article makes state responsible to raise the nutrition level and increase standard of living and provide with good health facilities.

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<sup>13</sup> State child labour rehabilitation cum welfare society

## GLOBAL INTERNATIONAL DOCUMENTS

Use of international tribunals has three inter-related advantages over other methods: pressure, publicity and legitimacy. International law is frequently criticized as being unenforceable. However the ability of the international bodies to pressure states to uphold their international obligations should not be underestimated. Recommendations and judgments from international bodies can apply much greater pressure.

### **Minimum Age Convention, 1973 (No. 138):<sup>14</sup>**

This fundamental convention sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed.

### **Worst Form Of Child Labour Convention, 1999 (No. 182):<sup>15</sup>**

The general conference of the International Labour Organisation, having been convoked at Geneva by governing body of International Labour Office, and having met in its 87<sup>th</sup> session on 1<sup>st</sup> June 1999, and considering the need to adopt new tools for the prohibition and elimination of the worst forms of child labour, as the main priority for national and international action, including international cooperation and assistance, to complement the Convention and the Recommendation concerning Minimum Age for admission to Employment, 1973, which remain fundamental instrument on child labour.<sup>16</sup>

This fundamental convention defines as a “child” a person less than 18 years of age. It requires ratifying states to eliminate the worst form of child labour, including all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; child prostitution and pornography; using children for illicit activities, in particular for the production and trafficking of drugs; and work which is likely to harm the health, safety or morals of children. The convention requires rectifying states to provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration. It also requires states to ensure access to free basic education and, wherever possible and appropriate, vocational training for children removed from the worst forms of the child labour.

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<sup>14</sup> The Minimum Age Convention, comprising a Preamble and 18 articles, was adopted by the 58<sup>th</sup> Session of the General Conference of the International Labour Organization on June 26<sup>th</sup>, 1973, and entered into force on June 19<sup>th</sup>, 1976; I.L.O No. 138.

<sup>15</sup> The Worst Forms of Child Labour Convention, in a Preamble and 16 articles was adopted by the General Conference of the International Labour Organisation on June 17, 1999, and entered into force on November 19, 2000.

<sup>16</sup> *ILO Worst Forms of Child Labour Convention, (1999) No. 182*

### **Declaration of the Rights of the Child, 1959:** <sup>17</sup>

United Nations has, in the Universal Declaration of Human Rights, proclaimed and stated that everyone is entitled to all the freedoms and rights which is there, with any kind of discrimination on the bases of race, color, sex, language, religion, political or other opinion, national or social origin, birth, property or other status,

Whereas the child, due to his/her immaturity whether physically or mentally, needs to be protected and also needs special safeguards and care, including appropriate legal protection, before as well as after birth.<sup>18</sup>

### **Hague Convention on Jurisdiction, etc., for the Protection of Children, 1996:**

This convention came into existence and concluded itself on 19<sup>th</sup> October 1996. This was put into functioning because there was a need to improve the protection of children in International situations,

Craving to evade divergences between their legal systems in respect of jurisdiction, applicable law, recognition and enforcement of measures for the protection of children,

Educating the importance of International co-operation for the protection of children.<sup>19</sup>

### **Hague Convention on the Civil Aspects of International Child Abduction, 1980:**

This Hague convention of 25 October 1980, which is on the civil aspects of International Child Abduction, is a multilateral treaty that is helping the children and protecting them from the harmful consequences of abduction and retention throughout international boundaries by providing a placing a procedure to bring about their prompt run.<sup>20</sup>

### **Hague Convention on the Protection of Children in Inter-country Adoption, 1993:**<sup>21</sup>

The Hague Convention of 29<sup>th</sup> May 1993, which is for the protection of children and co-operation in respect of inter-country adoption, protects children and their families from irregular, illegal, untimely or ill-prepared adoptions abroad. It reinforces the United Nations Convention on the right of the child (Art. 21) and ensures that the inter-country adoptions are made with the best interest of the child and taking into consideration his or her fundamental rights.<sup>22</sup>

### **Worst Form of Child Labour Convention, 1999 (No. 182):**

The general assembly conference of the International Labour Organisation, having been convoked at Geneva by the governing body of the International Labour Office, and having met in

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<sup>17</sup> The U.N. Declaration of the Rights of the Child comprises a Preamble and ten principles.

<sup>18</sup> Declaration of the Rights of the Child [Proclaimed by General Assembly Resolution 1386(XIV) of 20 November 1959.]

<sup>19</sup> Hague Conference on Private International Law.

<sup>20</sup> *Id.*

<sup>21</sup> The Hague Convention on the Protection of Children and Cooperation in Respect of Inter-country Adoption, comprising a Preamble and forty-eight articles, was concluded on May 29, 1993, and entered into force on May 1, 1995.

<sup>22</sup> HCCH, 1951-2015

its 87<sup>th</sup> session on 1<sup>st</sup> June 1999, and cogitating the need to adopt new tools for the prohibition and elimination of the worst form of child labour.

## CONSEQUENCES

### Physical Harm:

Concern about the physical effects of work on children focuses on two different issues: children who work in inherently dangerous or unhealthy occupations and work that impacts more harshly on children than on adults doing the same job. The first issue is a moral concern that human beings under a certain age should not have to jeopardize their future development by working in a dangerous environment. Dangerous occupations include military service<sup>23</sup>, prostitution, mining, and construction, industrial or agricultural work with dangerous machinery or chemicals, and street work.

There is a big physical difference between an adult and a child. The working condition may not be well suited and healthy for a child whereas the same working condition may suit in the case of an adult. This is because of the physical differences. It may have greater risk for children at various and diverse stages of development and may have long-term effect. “Injuries among young workers”, one quarter of economically active children suffers illnesses and injuries while working according to *International Labour Organization survey of 26 countries*. Specifically in agricultural activities, each year, as many as 2.7 million healthy years of their childhood are lost due to the reason that they are exposed to chemicals, pesticides which gradually degrade their lives and have a long going effects and generally are not cured.

But why they are destroyed by these kinds of environment? Due to the reasons,

- They are unskilled and a labour intensive job is much more riskier.
- Lack of training and supervision and inadequacy of them leads to accidents.
- Working in illegal and inappropriate environment.
- Lesser experience.

Children are more likely to suffer workplace accidents due to fatigue, inattention, poor judgment, and insufficient knowledge of work processes. In addition, the machinery, tools, and layout of most workplaces are designed for adults. For example, jobs that require children to carry heavy loads may lead to deformation of the pelvis or the spinal column because the bones of children are soft and not fully developed.

Studies also show that child workers suffer more serious health effects from dangerous environmental conditions than adults.<sup>24</sup> According to a 1984 study on occupational health in developing countries, children who perform agricultural work die of exposure to pesticides more often than from the most common childhood diseases put together.

### Development Harm:

Even where child work is not physically dangerous, it is harmful when it interferes with a child's opportunity to receive an education or vocational training. Child work is particularly a problem

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<sup>23</sup> Child Labour and Health, in CHILD LABOUR AND HEALTH: PROBLEMS AND PROSPECTS 10, 21 (Usha S. Naidu & Kamim R. Kapadia. eds. 1985)

<sup>24</sup> Combating Child Labour

when the work itself is dull and repetitive and does not help the child develop skills. Lack of education has serious consequences on a child's ability to improve his or her position in the labor market in later years. The availability of compulsory, free education is essential, but it is not enough in itself to guarantee an adequate level of schooling. In many cases, the cost of books and uniforms and the opportunity cost of taking a child out of the labor force prevent families from taking advantage of free education. In addition, in countries with high unemployment and for many people who work in the informal economy, families may not consider formal education to be worthwhile. Unaccommodating scheduling and unpractical curricula contribute to this problem.

**Exploitation:**

One of the unique characteristics of child labor is that the employers consider it a source of cheap labor and a means for quick profits. Child workers are often hired specifically because they can be paid less than adults. Employers reason that the decreased productivity of a child justifies the wage differential. Child workers, however, are frequently paid significantly lower wages than adults when the same amount of work is completed and workers are paid at a per piece rate. Children are easy to exploit physically and sexually because of their age and position in society.<sup>66</sup> Abuse of girls who work as domestic workers or in export-processing factories is common. Child prostitution is widely considered a particularly egregious form of exploitation.

**Harm to Society:**

In developing countries, the cost of raising children may be less than the potential value of the child's labor to the family. In other words, large families may be a form of investment. In the long term, however, large families perpetuate the problem of poverty. As one study of child labor concluded: "It is abundantly clear that dependency on child labour recycles poverty and hopelessness by turning today's generation of child labourers into tomorrow's sick, unemployed, uneducated and unproductive adults who are tragic in their own lives and a burdensome weight on their countries' hopes."<sup>25</sup>

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<sup>25</sup> PHARIS J. HARVEY & L. RIGGINS, TRADING AWAY THE FUTURE: CHILD LABOUR IN INDIA'S EXPORT INDUSTRIES at ii (1994).

## CONCLUSION AND SUGGESTION

Supreme Court had laid some guidelines and passed some judgments which both Supreme court and then people equally celebrated and done a great deal by expanding the human rights doctrine. *M.C. Mehta v. State of Tamil Nadu*, AIR 1991 SC 417 and *M.C. Mehta v. State of Tamil Nadu*, AIR 1997 SC 669 are the two judgments which has shown some ray of hope in the country and brought many child workers a relief in the field of child labour. The court after, eagle-eyed that it is necessary to recognize, address and tackle the root cause of the problem and further acknowledge economic compulsions and need to for insufficient family income, directed the one who is the employer for children in the contravention of the Child Labour (Protection) and Regulation Act, 1986, must be asked to pay them compensation in the form of a relief which would enable the creation of the “ Child Rehabilitation cum-Welfare Fund.”

In *Bandhua Mukti Morcha v. Union of India*, AIR 1997 SC 2218, the Supreme Court had dealt with a writ petition seeking issue of a writ of mandamus <sup>26</sup>directing the government the government to stop the employers to employ children in carpet industries.

Apart from directing the state to implement and look through the legislation, the highest court laid on the constitutional duties and obligations which the state is responsible for and asked them to see the whole aspects of child labour and work towards it. At least by contemplating and working through the root cause and talking all these responsibility, they can provide the child labour with a new lease of life.<sup>27</sup>

It has been found that there is a decline in child labour, but, there is still overwhelming population in rural areas which is engaged in child labour. Looking into age group of 10-14 years, there seems a great need for new and stricter policies to curb this evil. There are also some inter-states variations seen in the records, which clearly show there is a lack of executions and awareness. Here, it has been concluded that government’s policies cannot be implanted to some effect unless there lays a coordination between executionary authorities and voluntary organizations.<sup>28</sup>

Unless there are socially conscious policies in the country, the policies won’t make that much of a difference. It is still true that things are not very good for children. Child rights need to be actively respected rather than simply accredited, and we must admit that more than the passage of laws and publicizing the same to stimulate the kind of debate in such a way that leads to attitudinal change. The problem of child labour can be best addressed by adopting various strategies ranging from enrollment and retaining children in the school, income generation avenues for adults, poverty eradication programs simultaneously and awareness generation in the society towards universalisation of primary education. The need of the hour is that the Government should ensure all measures and an enabling environment for survival, growth,

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<sup>26</sup> A writ or order that is issued from a court of superior jurisdiction that commands an inferior tribunal, corporation, Municipal Corporation, or individual to perform, or refrain from performing act, the performance or omission of which is required by law as an obligation.

<sup>27</sup> Child Labour- Welcome Measures, Half-hearted Actions by R. Swaroop

<sup>28</sup> *Supra* f.n. 7 Challenges of child labour in rural areas by D.P. Chaudhari and E.J. Wilson

development and protection of all children, so that each child can realize his or her inherent potential and grow up to be a healthy and productive citizen. This calls for collective commitment and action by all sectors and levels of governments and partnership with families, communities, voluntary sector, civil society and children themselves.<sup>29</sup>

### **What are the areas needing attention?**

UNICEF recommends the following:

Immediately end hazardous and exploitative child labour — including bonded labour, • commercial sexual exploitation and work that hampers the child's development. Provide free and compulsory education, ensuring that children attend primary education full time until completion. Expand legal protection; ensure consistency and implementation in mutually supportive ways. Register all children at birth, in order to protect the child's right to have evidence of the child's age. Extend data collection and monitoring — gather and analyse globally comparable child labour data. Develop codes of conduct and procurement policies — Corporations should adopt codes of conduct guaranteeing that neither they nor their subcontractors will employ children in conditions that violate their rights and then abide by those codes.<sup>30</sup>

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<sup>29</sup> *Supra f.n. 2* Child Labour In India: An Overview by Gangabhushan M. Molankal

<sup>30</sup> *Supra f.n. 3* Human Development Report 2000, UNDP, 2000

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## **Financial Inclusion in Biaora – Analysing Usage in Penetration**

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## Abstract

The issue of financial inclusion has been the topmost priority of the new government mandate in India. The study tries to understand the penetration level of financial inclusion in the county (*Tehsil*) of Biaora (District-Rajgarh, State-Madhya Pradesh) by surveying the demand side parameters affecting financial inclusion. This paper analyses financial inclusion by looking at the dimensions (Penetration, Availability and Usage) and measures the Index of Financial Inclusion (IFI) in Biaora. It has been found out that the IFI for Biaora Tehsil is 0.5819. It is observed that there has been an increase in awareness that the town population possess regarding the opening of bank account and the purpose behind opening one. The study shows that more than 80% of the population opens a bank account in order to receive remittance. However, it has been found out that the people of Biaora still have a long way to go in increasing their usage of ATM cards as well as cheque books. Also, the study reveals that the people of Biaora are unaware of an UNDP lauded scheme of the Government of Madhya Pradesh that aims at increasing the financial inclusion in the state

**Key Words:** Financial Inclusion, Penetration, Index of Financial Inclusion

## Introduction

An estimate 2.5 billion working-age adult population globally have no access to the type of formal financial services that are delivered by regulated financial institutions. According to UNDP report 2013 database, still 56% of the adults are unbanked globally. Out of these 2.5 billion adults, 2.2 billion live in Africa, Asia, Latin America and the Middle-East.

India and other developing countries experience that most of the people are excluded from financial services. In India, as per the report of Indian bank, around 145 million households are excluded from banking services. The lack of financial inclusion can be attributed to various reasons such as low income, unemployment and illiteracy. Also, majority of women and disabled are excluded from the formal financial services. Lack of banking practices, high operation cost, and an absence of banking knowledge prevents the unbanked people from stepping into the banks. In India, there is only one bank branch per 14,000 persons. There are people who want to use the financial services, but are denied the same for various reasons like lack of identity, lack of money. To narrow this gap, Prime Minister announced an ambitious financial Inclusion plan called Jan Dhan Yojna (JDY) on 15 August 2014, Independence Day. The primary aspiration of this policy is to provide at least one bank account, possibly two, for every household in India.

The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost (Rangrajan Committee 2008) is known as financial Inclusion. In simple terms, financial inclusion is about including the excluded in the financial system of the country and to ensure that their financial and social security needs are taken care of by appropriate financial service providers.

## Status of Financial Inclusion in India

The nationalisation of banks, lead bank schemes, expansion of cooperative incorporation of RRBs, Post offices, service area approach and formation of Self Help Groups- all these were initiatives aimed at taking banking services to the masses. The brick and mortar infrastructure expanded the number of bank branches by ten-fold from 1969 to today. There were 8000+ branches in 1969 which now stand at 99,000+. Despite this extensive network of bank branches spread across the length and breadth of the country, banking has still not reached a large section of the population. The extent of financial exclusion is staggering. Out of the 600,000 habitations in the country, only about 36,000+ had a commercial bank branch. About 40% of the population across the country has bank accounts that are quite small. (UNDP, 2013)

A number of rural households are deprived of basic banking services like a savings account or minimal credit facilities. Around 51.4% of farmer households are financially excluded from formal as well as informal sources. According to the report of the Indian bank across regions, financial exclusion is acuter in Central, Eastern and North Eastern regions. All three regions together accounted for 64% of all financially excluded farmers households in the country. Data on the present scenario of India shows that only 55 percent of the population has deposit accounts, and 9 percent have credit accounts with the banks. There are about 6

lakh villages, rural branches of SCBs including RRBs numbered only 33,495. Whereas 18 percent of the population had debit card and less than 2 percent credit card availing facility. To add to it, around 73% of the farmer households have no access to formal sources of credit. Hence, the primary objective is to take banking to all excluded sections of the society, rural and urban. (UNDP, 2013)

A more focused and structured approach towards financial inclusion was followed from the year 2005 when the Reserve Bank of India (RBI) decided to implement policies to promote financial inclusion and urged the banking system to focus on providing banking services to all six lacs villages and meeting their financial needs through basic financial products. The objectives of financial inclusion have been pursued through a multi-agency approach. In 2006, the Government of India constituted a committee on financial inclusion that made a broad range of recommendations for building an inclusive financial sector and give a national rural financial inclusion plan. Government of India has set up the financial stability and development Council (FSDC), which is mandated, among other things, to focus on financial inclusion and financial literacy. In order to further strengthen the ongoing financial inclusion agenda in India, a high-level Financial Inclusion Advisory Committee was constituted by RBI. Financial sector regulators including RBI are fully committed to the financial inclusion mission. (UNDP, 2013)

## **Review of Literature**

Financial Inclusion has become a vital part of economic development. This concept proposes to include people with benefits and facilities provided by banks. It tries to ensure that the financial system plays its due role in promoting inclusive growth that is one of the biggest challenges faced by the emerging economies. In this section, an attempt has been made to review select literature essential for the objective mentioned below.

Madhya Pradesh is one of the largest states in India, in which 74% of the population lives in rural areas. Overall, farming support about 44 % of the people of the BIMARU (Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh) states (Arunahalam 2008). The Majority of the resources used by tribal people are informal in nature like interest free loans taken from friends/ relatives though people use MFI (Microfinance Institution) services, too, but the share of MFIs in total money management transaction is less than 15 percent (Rutherford. 2003). The primary source of finance was found to be moneylenders i.e. approximately 80 per cent of the total amount borrowed came from moneylenders (Sriram & Parhi, 2006). In a study conducted by Ageba and Amha (2006), it was found that most of the medium and small enterprises were using friends and relatives as the primary source of finance rather than going for a bank loan. Moreover, they found that the amount of bank lending is insufficient to meet the requirement. Hence, informal financing is chosen as an alternative. Sarma and Paise (2008) suggest that the issue of financial inclusion is a development policy priority in many countries. Human development and financial inclusion in a country move closely with each other most of the time. Among Socio – Economic factors, as expected, income is positively associated with the level of financial inclusion. Further physical and electronic connectivity and information availability, indicated by a road network, telephone and internet usage, also play a decisive role in enhancing financial inclusion. In their study, Kumar and Mishra (2011) emphasized on structural changes to increase the range of financial services so as to reduce

the dependence on informal sources, particularly on credit. The paper also talks about the need to provide access to financial services in vulnerable Indian states that are lagging at this point. Financial literacy can be augmented by providing required training (Custers, 2011). Demircuc and Klapper (2012) found that the high cost, physical distance and lack of proper documentation are the main factors that lead to unsuccessful financial inclusion initiatives along with significant differences across and individual characteristics. Holistic effect of financial inclusion can be attained by incorporating as many dimensions as possible (Guptea, Venkataramanib and Guptac 2012). Yorulmaz (2013) shows empirically that the higher income level regions have the higher level of financial inclusion. Absolute financial inclusion can be achieved through proper policy made by Government, RBI, NABARD and by implementing agencies like SHGs and MFIs (Dangi and Kumar (2013).

Ahmad and Lone (2012) found that the major barriers to financial Inclusion in Madhya Pradesh, from supply side, are lack of awareness, income and asset constraints, limited literacy and social exclusion. Supply side constraints are cumbersome with respect to documentation procedure, unavailability of diversified products and services, high transaction cost and easy availability of informal credits. Lack of functional autonomy, awareness, income and asset constraints, limited literacy have acted as significant barriers to financial inclusion in Madhya Pradesh. Some other reasons are unavailability of diversified products and services, high transaction costs and easy availability of informal credits (Ahmad and Lone, 2012).

Most of the studies discussed above used the financial depth measures (how much finance) rather than actual outreach or access measure (how many users). These studies cover availability and accessibility elements to a large extent and usage to a limited extent. Aggregate banking data is mainly used. It provides information only for service supplied by the bank and not by the other agencies such as SHGs, etc. This set of information can be termed as supply side information, which is partial in nature. It has its shortcomings; it does not distinguish between business and individual accounts or individuals having multiple accounts, or on the adequate and timeliness of loan account or information about informal service.

The information from the service provider shows only one side of the overall picture. It is crucial to look at the user's side of financial inclusion as well. This paper attempts to fill this gap by analysing the demand side information and by providing a comprehensive picture of financial inclusion in Bioara Tehsil of Rajgarh District. It attempts to measure and understand financial inclusion by looking at the demand for (indicators of household level access such as the proportion of household having saving, credit facilities) financial services. Separate composite index of financial inclusion (IFI) using dataset for 2015 – 2016 (the latest year for which demand side data are available) is calculated for Biaora Tehsil of Rajgarh District of Madhya Pradesh, to get a comprehensive picture. Using the household level data, it also analyzes the role of the informal sector viz. formal sector, particularly, about penetration and credit.

## Objectives

- To know the status of penetration of financial inclusion in Biaora Tehsil.
- To study the major factors affecting the access to financial inclusion.
- To know about socio, economic status of the respondents residing in the Tehsil.

## Methodology and Data

The calculation for Index of Financial Inclusion is carried out based on Chattopadhyay (2011) entitled 'Financial Inclusion in India: A case-study of West Bengal'. We have taken demand side dimensions and classified them under three fronts namely, usage, penetration and availability of the banking services.

$$d_i = \frac{A_i - m_i}{M_i - m_i}$$

Where,

$A_i$  = Actual Value of dimension i.

$m_i$  = Minimum value of dimension i.

$M_i$  = Maximum value of dimension i.

The above formula ensures that  $0 \leq d_i \leq 1$ . Higher the value of  $d_i$ , higher a state's achievement in dimension i. If n dimension of financial inclusion is considered, then a state i will be represented by a point  $D_i = (D_1, D_2 \dots D_n)$  in the n-dimensional Cartesian space.

In the n-dimensional space, the point  $O = (0, 0, \dots, 0)$  represents the point indicating the worst situation while the point  $I = (1, 1, \dots, 1)$  represents the highest achievement in all normalized inverse Euclidean distance of the point  $D_i$  from the idea point  $I = (1, 1, \dots, 1)$ . The exact formula becomes,

$$IFI = 1 - \frac{\sqrt{(1-d_1)^2 + (1-d_2)^2 + \dots + (1-d_n)^2}}{\sqrt{n}}$$

In the above formula, the numerator of the second component is the Euclidean distance of  $D_i$  from the idea point I, normalizing it by  $\sqrt{n}$  and subtracting by 1 gives the inverse normalized distance. The normalisation is done in order to make the value lie between 0 and 1, and the inverse distance is considered so that higher value corresponds to greater financial inclusion.

### Banking Penetration (Dimension 1)

This dimension includes the size of the population that has opened a bank account and is also using it. To measure the size of the banked population, we consider the number of people who have opened a bank account irrespective of it being currents, savings or fixed deposit, etc. In the methodology, if all the respondents have a bank account then the dimension gets the maximum score of one once all the parameters are taken into consideration. This

dimension also includes if any loan has been taken from a bank that again makes the respondent financially-included.

### **Availability of Banking Services (Dimension 2)**

To be financially included, a place should have accessible banking services. As we aimed at computing Index of financial inclusion from demand-side, we tried to measure the availability of the banking services from that dimension. This dimension is measured on the basis of how much the facility that is, if provided, being used by the respondents. In India, the rural population still prefers to go to a bank personally for availing any facility. Hence, the distance from a bank plays a significant role in making a place financially included.

### **Usage of Banking Services (Dimension 3)**

Even if a place is highly financially included in terms of banking penetration, if the banking services are not availed and utilized, the system can't be called as financially-included. In order to compute the index of financial inclusion on the basis of usage of the banking services, we tried to measure the extent to which the respondents know about the various facilities that a bank gives and the extent to which availed it. Also, we attempted to understand the respondent's willingness to avail the offered services based on the bank personnel's behavior to them.

These three dimensions that are explained above represent a state in the three-dimensional Cartesian space, where the dimension value lies between 0 and 1. The worst state or complete financial exclusion will have the Cartesian coordinates as (0, 0, 0) and the best state, or total financial inclusion will have the coordinates as (1, 1, 1).

The value of IFI can be classified in the following ranges:-

- (i)  $0.5 < \text{IFI} \leq 1$  – high financial inclusion
- (ii)  $0.3 \leq \text{IFI} < 0.5$  – medium financial inclusion
- (iii)  $0 \leq \text{IFI} < 0.3$  – low financial inclusion

### **Profile of Sample Area: Biaora Tehsil**

Biaora is a county (*tehsil*) in the district of Rajgarh in the state of Madhya Pradesh. The town is 117 kms away from the state capital Bhopal. It is 466 mts above the sea level and is connected with the state highway (SH) 12 (Jabalpur – Jaipur) and national highway (NH) 3 (Agra – Bombay).

Biaora's investment area is 6725.04 hectares and as per 2011 census, the population is 49093. It is situated in the district of Rajgarh on the banks of Ajnar River. The closest railway

stations are Shujalpur, Ruthiai and Bhopal. Biaora is considered to be an important business centre. In ancient times, when there was no railway line, the town had more importance as it was a halting point for carriages going on the Agra-Bombay national highway. There is a 700 years old Chaturbhuj temple in the city that contains some idol ruins along with idols that were attacked during the time of Muslim Raj.

In the year 1901, Biaora's population was 5607 which increased to 47663 in the year 2011. In the year 1921, there was a drop in the population by 9.29 percent but after that the population has kept on increasing. The reasons for the rise in the population are road-rail connectivity, increase in business activities, employment opportunities, etc. The population from 1991-2011 has risen by 67.75 percent. The male to female ratio is 1000 to 885 in 2001 while in 1991 the ratio was 1000 to 864.

The economic growth of the town is primarily on agricultural activities. Except for the government employed, most of the people are in either farming or running some business. The main agriculture crops grown here are Wheat, Corn, Soybean, Sugar-cane along with vegetables, fruits, chillies, etc.

To judge any place's economic development, one can measure it by the business structure the area follows. According to the population census, for every 1000 people in the town of Biaora, there were 292 working force population in 1991 which has now increased to 320 in 2001.

|     | Type                   | Workforce    | Division of the workforce per 1000 | Population per 1000 |
|-----|------------------------|--------------|------------------------------------|---------------------|
| (a) | Primary Area           |              |                                    |                     |
|     | Agriculture            | 411          | 34                                 | 11                  |
|     | Agriculture work force | 172          | 14                                 | 4                   |
|     | <b>Total</b>           | <b>583</b>   | <b>48</b>                          | <b>15</b>           |
| (b) | Secondary Area         |              |                                    |                     |
|     | Business               | 442          | 36                                 | 12                  |
|     | <b>Total</b>           | <b>442</b>   | <b>36</b>                          | <b>12</b>           |
| (c) | Tertiary Area          |              |                                    |                     |
|     | Others                 | 11135        | 916                                | 293                 |
|     | <b>Total</b>           | <b>11135</b> | <b>916</b>                         | <b>293</b>          |
|     | <b>Grand Total</b>     | <b>12160</b> | <b>1000</b>                        | <b>320</b>          |

Source: Statistical book of Biaora Tehsil

To identify the factors behind underutilization of banking services by the villagers, there is a need for a closer examination of their financial habits and the informal as well as formal financial services available to them. In this respect, a field study was conducted to investigate



the finance relevant practices of the rural people. Biaora Tehsil of Rajgarh district was chosen which is located in the state of Madhya Pradesh.

In-depth interviews were conducted with 120 respondents through structured questionnaire. To encompass various spheres of financial inclusion, random sampling methodology was used to select the sample space. Efforts were made to cover all the different traits such as age, gender, social backwardness, economic condition and geographical constraints.

The secondary data have been collected from Government Publications, Government official records and other related agencies and valid records of the state government.

## Survey of Financial Inclusion in Biaora

The data for the computation has been collected from various households of Biaora. The questionnaire comprises of more than 30 questions that involved answers related to occupation, level of education, banking habits, knowledge about the various ongoing government schemes to encourage financial inclusion.

### Occupation Scenario

The survey reveals that around 74% of the respondents have a private service or are employed by a small shop owner. Households have an average family size of 5.44 wherein the mean number of earning members in a household is 1.45. It can be inferred that there are more hands to feed than there are hands to secure the food. Around 5% of the households have a small business set up such as an auto garage, etc. Also, around 5% are labours working on daily wage system wherein the requirement of having a bank account isn't there as the survey showed that people don't end up saving any money to put in a bank account.

| Town   | No. of households | Occupation      |                    |             |          |        |        | No. of family members | No. of earning members |
|--------|-------------------|-----------------|--------------------|-------------|----------|--------|--------|-----------------------|------------------------|
|        |                   | Private Service | Government Service | Agriculture | Business | Labour | Others |                       |                        |
| Biaora | 120               | 74.2%           | 6.7%               | 2.5%        | 5.0%     | 5.0%   | 6.7%   | 5.44                  | 1.45                   |

Authors' Estimates

## Survey Results

The survey has revealed that 85.8% of the sample has a bank account opened. Out of these respondents that have a bank account opened, 96% of them have a savings bank account. The main reason for having a bank account was found to serve the purpose of remittance. Around 64% mentioned remittance as the reason for opening a bank account. Also, the respondents said that the reason of having a bank account is also to get the money from the government scheme such as NREGA. Around 15 percent of the respondents have monthly income that is below 6000. The higher percentage has income above 6000 as more than 70% are in private service and 6.7% are employed by the government of India. The respondents also feel that there are sufficient bank facilities available around the town. This stems from the fact that for around 70% of the respondents, the closest bank is in the range of 1-3 kms.

| Town   | Average Monthly Income |           |       | Any assistance through government pension scheme | Remittance | Banking facilities adequate in the locality | Any bank account by any of the family members | Mode of operation |                |
|--------|------------------------|-----------|-------|--------------------------------------------------|------------|---------------------------------------------|-----------------------------------------------|-------------------|----------------|
|        | 2500-4000              | 4000-6000 | >6000 |                                                  |            |                                             |                                               | ATM               | Personal Visit |
| Biaora | 6.7%                   | 8.3%      | 64.2% | 9.2%                                             | 73.3%      | 62.5%                                       | 85.8%                                         | 58.3%             | 41.7%          |

Authors' Estimates

To open a bank account, the people of Biaora still heavily rely on Friends and relatives to get assistance in opening a bank account. Around 45% of the residents take the help of their friends or relatives. Having said this, 30% of the residents took a bank officer's assistance in opening an account. It can be inferred that a bank officer is in a better position to inform the account holders about various bank facilities rather than a friend or a relative.

| Town   | Whether aware of minimum balance account in banks | If yes, reasons |                  | Faith in the Indian Banks | Distance to nearest bank |        |        | Behaviour of bank employees |             |                  |
|--------|---------------------------------------------------|-----------------|------------------|---------------------------|--------------------------|--------|--------|-----------------------------|-------------|------------------|
|        |                                                   | No ID           | Reason not known |                           | 1-3 kms                  | 4-6kms | >6 kms | Friendly                    | Indifferent | Non co-operative |
| Biaora | 59.2%                                             | 2.5%            | 15.8%            | 0.8%                      | 71.7%                    | 13.3%  | 15.0%  | 92.5%                       | 5.0%        | 1.7%             |

Authors' Estimates

Out of the respondents that have a bank account, 63 percent of them don't use the chequebook while 31 percent of them don't use the ATM card. Out of the total sample, 58.3 percent prefer to use the bank services by the utilization of the ATM card while 41.7 percent still prefer going to the bank personally to get their work done.

The survey also showed that the distance between the customer and the bank isn't the primary reason of being financially excluded if so. As more than 71 percent of the respondents have said that the closest bank to them is in the range of 1-3 kms. Also, the 60 percent of the respondents know that the bank offers loan at a lesser interest rate.

The survey also revealed that 95 percent of the respondents don't have a clue about a scheme that has been initiated by the Government of Madhya Pradesh to encourage financial inclusion.

## Conclusion

Financial Inclusion has an effect on not only the socio-economic status of a country but also on the economic situation. Despite various scheme announcements and its execution, high degree of financial inclusion is still a distant dream for India. For a nation to have a sustainable growth rate, it is essential that the citizens have access to all the banking facilities in order to stimulate the flow of money. Our study concludes that only penetration of banking services doesn't solve the purpose of financial inclusion; the nation also has to ensure that the banking services reach out to people in a full-fledged way. As in the case of Biaora tehsil, the respondents aren't aware of the "Samruddhi" scheme that is initiated by the state of Madhya Pradesh. There is a need to emphasise the initiatives in a way that it stays in the mind of the consumer, for which it is meant to be. As a case study of our research, the Index of Financial Inclusion for Biaora Tehsil comes out to be 0.5819. It can be inferred that Biaora is moderately financially included reaching towards high financial inclusion.

Also, as we studied financial inclusion from demand side, we concluded that only government efforts alone cannot bring change with respect to it. Financial inclusion cannot be achieved without the co-operation of the banking sector particularly, in developing countries like India, where most of the poor people do not have access to any banking services. More efforts are required to spread awareness among people regarding financial inclusion services available and their uses. Financial inclusion is truly a powerful instrument for economic and social transformation for tribal in this area. Thus, financial inclusion is surely a medium to uplift the poor from below poverty line and remove them from the shackles of deprivation to self – sufficiency and independence.

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# Indonesia-Australia Comprehensive Economic Partnership Agreement: An Empirical Investigation on Output Prices, Wages and Factor Returns

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*Keywords:* Australia, Indonesia, IA-CEPA, income redistribution, wages, factor returns.

*JEL Classification:* F10; F13

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## Extended Abstract

### Background and Problem Statement

Negotiations for the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) started in 2012. The IA-CEPA is expected to increase trade flows between the two largest economies in the region potentially benefiting 280 million consumers. In 2012, the two-way trade between the two countries reached USD 14.6 billion making Indonesia Australia's 11<sup>th</sup> largest export market. In 2012, Australian investment in Indonesia was estimated at USD 6.8 billion with 400 Australian companies operating in the country in sectors such as agriculture, construction, mining, health care, finance, food and beverages, and transport.

Among the key issues expected to be resolved with the IA-CEPA are the impediments to bilateral trade that imposes additional costs to exporters, importers and consumers in both countries. If an agreement is reached and these impediments are eliminated or at least substantially reduced, we could see a significant increase in trade flows between the two countries. With highest level of trade, income redistribution among factors of production can be anticipated; owners of some factors of production will gain but others will lose due to output price changes that may occur under the IA-CEPA.

The link between international trade, output prices and factor returns has been based on the well-known Heckscher-Ohlin (H-O) model of trade. The relationship between trade and wages is embodied in the Stolper-Samuelson (1941) Theorem and its generalizations that trade-induced output price changes have a magnification effect of factor prices and wages. Abundant factors gain while scarce factors lose from more free trade.

## **Research Objectives and Proposed Methodology**

The objective of this paper is to estimate the potential impact of the IA-CEPA on output prices, wages, and factor returns in Indonesia and Australia.

The Specific Factors model of production and trade developed by Jones (1971) is used to first estimate the elasticity of substitution in 4 economic sectors and 7 categories of labor and capital in Indonesian and Australia. A sensitivity analysis is then performed to determine how a 1% change in output prices affects wages and return to capital. One advantage of the Specific Factors model is that it requires just a few parameters to determine the impact of any price change in some economic sectors on wages of the mobile factor as well as on the returns to the specific factors elsewhere in the economy. The factor payment matrix from which factor shares and industry shares are derived is built using 2010-2012 data.

## **Preliminary Results and Conclusion**

Preliminary results are consistent with the theory. In Indonesia, industries with abundant labor or labor intensive industries will benefit from the IA-CEPA due to an increased export demand. At least one capital intensive industry in Indonesia is also seen as a winner. Output prices in these industries will increase raising domestic wages for all 7 categories of labor and capital, an important result for Indonesia. For Australia, some labor and capital intensive industries will benefit raising wages and factor returns in those industries, also an important result for Australia. A large impact on sector specific factors but smaller impact on mobile factors is observed implying the importance of factor mobility.

Preliminary findings suggest that the IA-CEPA could potentially have large and positive impacts on both economies but not all economic sectors will benefit, results show winners (due to increased export demand) and losers (due to increased import competition). These losses



translate into costs to society so from a policy perspective, preliminary results suggest that government policies should be implemented and be in place in both countries before the IA-CEPA goes into effect in order to minimize these costs at least in the short run.

# **Learn from poor women innovations and smart practices to strengthen Indonesia poverty reduction policies**

**Angel Manembu**

**Consortium of Global Concern and KOPEL Indonesia**

## **Abstract**

*Poor women are important actors for poverty reduction. Many programs and projects have been directed to poverty alleviation, however, there are not many projects that involve poor women at all stages of development.*

*Yet, poor women have assets and capabilities that are never taken into account. How far can these aspects become lessons for development practitioners and policy makers ? Meanwhile, there is not much in the way of reading materials documenting poor women's smart practices.*

*The Consortium Global Concern and KOPEL are trying to demonstrate how poor women can contribute to poverty alleviation. Many of them already manage to increase their income; educate their children up to university without much help from outside agencies. The fact that they survive up to the present time has shown that they have strengths and they are able to use their assets and capabilities. Their innovations can be our lessons and can contribute to strengthening Indonesia's national policies.*

## Introduction

This is not a scientific paper which is trying to convince the world about poverty eradication. This is just a concept to rethink our strategy and our values to reduce poverty and try to learn from the poor women themselves on how they make a better life. Why poor women? They are the poorest of the poor, they are seen as the marginal groups of poverty. Most importantly, they are not invited in decision making process at all levels. Poor women are the under-class in poverty, especially in relation to their exclusion from decision making processes.

Poverty alleviation projects are abundant in this world. Millions of dollars have been spent to fight poverty. There are some successes to reduce poverty; however significant numbers of people remain poor monetarily. Although there are many causes for such poverty; but one of them has been our ignorance and unwillingness to acknowledge poor women's strengths and abilities.

If we google or try to search the libraries for poor women's innovations or poor women's smart practices they are rarely available. And if they do exist, most of the cases are about poor women's innovations as a result of project interventions from NGOs, donors' agencies and not because of their own effort.

## The problems with Our Values and approach

These are reflections of our values that undermine poor women's abilities and strengths.

Most poverty alleviation projects perceive poor women as 'powerless groups'. This is a very top-down perspective and will create a top down approach and top down projects. Most of the time, a top down approach requires a lot of funding and thinking but does not always guarantee good results.

We were brought up by our parents, our teachers and our peer groups to look down on poor women. They are seen as poor because they lack knowledge, have fewer resources and need assistance from the outside. It is not surprising if poverty alleviation projects do not target them. Some have argued that we need to implement poverty reduction projects via the elites, since the poor women won't understand. Or other project have stated if 'we target the poorest women, they cannot pay back their loans'.

In many cases, most poor women, have never been invited to most meetings in their village. And if they are invited, often they can not come. In some cases, if they are invited they act primarily to prepare food and drinks for a meeting. Colfer<sup>1</sup> et al (forthcoming) supported this statement and argued that some impediments of women's involvement in decision making processes are due to :

- *Women's lesser educational levels and/or knowledge of national language, with adverse effects on their self-confidence*
- *Women's discomfort with speaking up in large or mixed gender groups*
- *Lack of childcare to travel or attend meetings*
- *Cultural prescriptions that women prepare meals regularly, often coinciding with formal meetings*
- *General time constraints; men are expected to spend time arranging community affairs (urusan); women to be busy with day to day chores.*

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<sup>1</sup> Carol J. Pierce Colfer, et al (forthcoming). The Balance of Power in Household Decision-Making: Encouraging News on Gender in Southern Sulawesi. CIFOR .

- *Local men's reluctance to expose local women to alien gender norms and/or outsiders' negative stereotypes of them,*
- *Taboos against or discomfort with women's travel (and/or recognized dangers therein,*
- *Subtle and overt exclusion (more pronounced for women than for the common man) from decision-making by high prestige visitors.*

However, this is not always the case. When poor women are invited, they can often come if they are given time to arrange their activities and when they speak the facilitator can ensure that other participants listen.



**A poor woman from Woloaro Village, Ende District, Indonesia stated her opinions in a village meeting,**

### **Poor women's assets and capabilities create their innovations and smart practices**

Poor women's innovations and smart practices can happen as they all, like us, want to have a better life. Poor women also have dreams that their children can have a good education. Like all the mothers they will try hard to achieve this.

Poor women have assets and capabilities to use their very limited resources for their benefit. Our field work has shown some examples: In Buaya village, Alor island, a poor widow, Zaenab Massa, has eight children and after she delivered her last baby, her husband died. By 2014, she had been a widow for nine years. However, she has been able to educate her children. The eldest has gotten married; five children go to school far away from her village (e.g., in Kupang, Makassar and Semarang, big towns in other islands); One girl has graduated from Kupang University. This Buaya village has no water, and no doctor have ever visited this island, yet Zaenab was able to deliver all her eight babies safely. How was this possible?

In Ende District we found in a poor hamlet called Kojha Dhewa in Kuramba Village, a group of poor women who have increased their incomes and found solutions for the malnutrition of their children by planting and selling various vegetables in their home garden. The women were assisted by their husbands and families. When we visited last October 2014, there were no longer any malnourished children. Why?

The poor women described above might be still poor if we counted from an income poverty measurement. However as stated in a theory of access, access is ‘the ability to benefit’ (Ribot and Pelluso, 2002):<sup>2</sup> these women have been able to benefit from their social, economic and institutional situations. Moreover, these women, mostly with low levels of formal education, have strong capabilities (Comim, Qizilbash, Alkire, 2008)<sup>3</sup> that have never been taken into account. Their approach can be one of our lessons.

## Opportunities

To strengthen national policies from poor women’s lessons learnt need will require a willingness to learn. To change a mind set is a daunting task. We are not used to learning from the groups that we are obliged to assist. Another issue is to institutionalize and to broaden the message will require further thought.

But if poor women, many of whom are illiterate and have no access to most resources, can do innovate and develop smart practices, what are our excuses in this matter?

Poor women’s innovations can be one way to reduce poverty. How? The innovations have already been tested and worked out. Another common argument is that situations where poor women live vary by location. It is true nevertheless that innovations can be modified and tested according to different circumstances.

Locations of poor women’s smart practices can be a shared-learning site among communities and also other stakeholders. In this case, poor women provide services to government to share their experiences in order that other poor women can learn, modify the innovations based on each specific condition and hopefully provide good results.

Since these innovations are from poor women, the cost can be much less and the way do it may be less complicated. They need institutions that can teach them lessons. Can you imagine if there were a thousand ways created by poor women in order to make a better world? Can you imagine if all these innovations sites can be accessed by other communities? Learning from one community to other community can and does happen.

A consortium of Global Concern and KOPEL Indonesia has tried to put into action this concept with support from the MAMPU Innovation Fund of DFAT-Australia. The National Planning Body of Indonesia which designs and coordinates poverty reduction programs, has shown interest in this and we will work together to instigate the pilot projects. We are also already working with three local governments who are willing to share their budgets to implement this.

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<sup>2</sup>Ribot and Peluso (2003): “Theory of Access,” *Rural Sociology* 68(2);153-181.

<sup>3</sup> Comim et al., 2008. The Capability Approach: Concepts, Measures and Applications. Cambridge University Press: Cambridge.

### **Closing remarks**

We need support from all over the world to promote poor women's innovations and smart practices as one way to strengthen poverty reduction policies. If you have poor women's practices in your country please add in our instagram, our face book and our blog or simply contact us. Your support will reinforce Indonesia's poverty reduction strategies.

## **Leave No-One Behind: Top Ten Tips for Inclusive Development**

**Siân Arulanantham**

**The Leprosy Mission**

**Abstract:**

Disabled people make up 20 per cent of those living below the poverty line in low and middle-income countries. Disability is both a cause and consequence of poverty; disabled women are more likely to be subject to poverty and abuse than their able-bodied counterparts; disabled children are far less likely to attend school; and people disabled by diseases such as leprosy or suffering from mental health issues are highly likely to experience stigma, discrimination and be excluded from their family and community. The UN Convention on the Rights of Persons with Disabilities states that disabled people have equal rights and must be included in the development process. Yet many NGOs and Government programmes do not include disabled people, claiming it is too expensive, does not represent value for money or is too difficult, as they lack specific expertise. This paper challenges these myths and, based on the learning from the EC-funded Food Security for the Ultra Poor Project in Bangladesh, gives ten top tips for enabling cost effective, disability-inclusive development. These tips relate to organisational policy development and the various aspects of the project cycle, giving concrete examples and evidence that inclusion works.

**Key words:**

MDGs, SDGs, poverty, disability, leprosy, inclusion, inclusive development, rights, marginalised, discrimination, food security, income generation



## Introduction

2015 brings the global challenge to develop Sustainable Development Goals (SDGs) that will not just halve poverty and reduce the issues associated with it, as the Millennium Development Goals attempted, but goals which will include all and ensure no-one is left behind (United Nations General Assembly, 2014). For this to be successful there will need to be a commitment to a different approach to development, not an approach that targets the ‘easy hanging fruit’ of those just below the poverty line, but one which addresses the physical, social and institutional barriers that presently excludes more than 20 per cent of the world’s poor from the development process.

Disabled people make up one of the world’s largest marginalised groups. One billion people are disabled, 80 per cent of whom live in developing countries (DFID, 2014). Yet despite the majority of nations signing the UN Convention on the Rights of Persons with Disabilities (UN Enable, 2014) their rights are often denied and they are much more likely to live in poverty (WHO, 2014). Disabled women are doubly disadvantaged and subject to high levels of abuse (DFID, 2014). 90 per cent of disabled children in Africa are out of school (UNICEF Innocenti Research Centre, 2007) and research by The Leprosy Mission of almost 5,000 people affected by leprosy from nine countries illustrates that being disabled by a neglected tropical disease (NTD) generally results in further denial of human rights (Arulanantham, 2014).

This paper will explore why disability inclusion is necessary; busting the myths of mainstream development practitioners who claim including disabled people is not relevant, too difficult or too expensive, and will draw on examples from the EC-funded Food Security for the Ultra Poor (FSUP) project in Giabandha, Bangladesh to highlight ten top tips for disability-inclusive development.

### Why include disabled people?

**Disability is a social justice issue.** A disabled person is first and foremost a person, and entitled to the same rights as any other person. This is highlighted in the UN Convention on the Rights of Persons with Disabilities (UNCRPD, 2006).

As the World Disability Report highlights,

*“People with disabilities have ordinary needs – for health, well-being, for economic and social security, to learn and develop skills, and to live in their communities. These needs can and should be met by mainstream development programmes and services. Mainstreaming not only fulfils the human rights of people with disabilities, it is also more effective.”* (WHO, 2011, p. 264)

**Disability is a poverty issue.** According to the WHO World Disability Report (WHO, 2011) disabled people generally have poorer health outcomes, have lower educational achievements, are less economically active and experience higher rates of poverty than their non-disabled counterparts. Thus, if a development project aims to target those most in need then it is clear that this group of people must be included.

Literature shows that disability is both a cause and consequence of poverty. Lack of money is often a reason why people do not seek medical help. Yet, if an injury or infection is not treated it can lead to irreversible impairment. For example, leprosy is easily treated with multidrug therapy (MDT). In its early stages the signs and symptoms may just be de-sensitised patches on the skin. Mild symptoms not recognised due to lack of education, a reliance on income from daily labour, and lack of money to travel to health centres often means people do not come forward early for treatment; so severe disabilities result. People who acquire impairment often have high health

expenses and lose income which deepens the poverty they are living in. Thus, disabled people are disproportionately represented among the ultra-poor.

**Disability is a gender issue.** Disabled women are often doubly discriminated against. The disability agent in the FSUP project explains:

*“Puppy is a 23 year old divorced lady. After a road accident she had a fracture in her right leg and so she got a bended leg and became physically disabled. For that reason her husband divorced her and sent her back to her parent’s house.”*

Abandonment of disabled women is one of the reasons why there are more disabled people among female-headed, as opposed to male-headed, households. It is often more difficult for disabled women to marry and those affected by leprosy can often only marry other people affected by the disease. Disabled men in Bangladesh are sometimes better off. They often have the opportunity of an arranged marriage with a girl from a very poor family or marry a disabled girl. Disabled women and girls are also particularly vulnerable to sexual and violent domestic abuse, with one study estimating that 83 per cent of disabled women will be sexually assaulted during their lifetime (Stimpson, 1991).

**Disability is a social issue.** Disabled people often live in social isolation. Their families and community are often not aware of their capabilities and have very low expectation of them. They are seen as a burden on the family, can be ill-treated and confined to the home. Most disabled children do not attend school and those who do are often teased. Disabled people are rarely invited to social events and when invited are often unable to attend due to lack of money or inaccessibility. Rahima, a disabled woman in the FSUP project explains:

*“I couldn’t go to the wedding of my nephew. I cried, I cried a lot because he is my nephew whom I really love. Everyone went to the marriage and I couldn’t. The celebration was in the bride’s family house in another village. I couldn’t walk that distance. I was left behind and only people who were physically healthy went to the wedding.”*

## **Barriers to Inclusive Development: Busting the Myths**

Development programmes are often targeted at poverty reduction, gender discrimination, social injustice and health issues. These are all issues that affect disabled people and people affected by leprosy and other neglected tropical diseases (NTDs), so why are they not included?

### **Myth 1 – Disabled people are not able to participate in development programmes, we have to acknowledge that they are dependent on others.**

Disability must not be equated with inability. Just because a person has impairment does not mean they cannot contribute to their families and community. There are many examples of disabled people who despite their impairment have led fruitful, fulfilling lives and have made significant contributions not just to their community but to global development and the arts. A few of the most well-known include:

- *Ludwig Van Beethoven* the famous musician. He became deaf at the age of 28 but continued to compose;
- *David Blunkett*, blind since birth, is MP for Sheffield Brightside and rose to the position of UK Home Secretary from 2001-2004;
- *Lord Byron* Britain's great romantic poet was born with a club foot. He toured Europe extensively and captured the popular imagination through his poetry and his personality;

- *Tanni Grey-Thompson* has won fourteen Paralympic medals including nine golds, and has broken over twenty world records. As a wheelchair athlete she was also the winner of five London marathons. In recent years, she has established herself as a TV presenter and an active member of the House of Lords;
- *Stephen Hawking*, world famous physicist/mathematician and author of *A Brief History of Time*, is considered as one of the greatest scientist of the twentieth century. Though he is paralyzed and communicates using a device operated by his cheek, he remains Director of Research at the Cambridge University Department of Applied Mathematics and Theoretical Physics;
- *Franklin Roosevelt* developed polio in his late 30s but it did not stop him serving as the 32<sup>nd</sup> President of the United States.

The difference between these people and many of those living in poverty in low and middle income countries is that they have been able to overcome the attitudinal, environmental and institutional barriers that block inclusion and personal development. The myth stated above is a perfect example of an attitudinal barrier and the reason why disabled people are so often assumed to be incapable, of low intelligence or in need of special support and services. It is such negative attitudes that perpetuate exclusion, keeping disabled children out of school and hidden from the community. In many cultures having a disabled child is seen as a punishment from god, or karma for wrongs done. Yet if a disabled child receives an education and is given the physical, social and emotional support required, they can fulfil their potential and make an active contribution to their family and community.

Unfortunately, for many disabled people and people affected by leprosy, discrimination has been so socially ingrained that they have come to believe the myth that they are not capable of work or participation in society. This self-stigma often means they do not consider that opportunities such as inclusion in development programmes are open to them. Therefore they do not attend community meetings even if they know about them. As a result, development practitioners have to specifically look for these people, reach out and talk to them if inclusion is to be successful.

### **Myth 2 – Disability is about health and we don't focus on health programmes.**

It is common for disability to be associated with health and seen as a specialist medical area that NGOs do not have the skills to address. However, the social model of disability makes it clear that it is not the impairment that is disabling. It is the attitudinal, environmental and institutional barriers that prevent disabled people from actively participating in society.

Attitudinal barriers have been considered under Myth 1. Environmental barriers are the physical barriers that prevent disabled people from being included. This includes public transport, access to clinics, schools, offices, shops, market places and places of worship. As well as physical barriers, it also includes communication barriers where the media and information is inaccessible for persons with speech, hearing or visual impairment. Institutional barriers include discriminatory legislation, such as the laws in India where leprosy is regarded as a ground for divorce, employment laws or government policies. Development organisation's selection criterion, that excludes participation of disabled people in projects, is also an example of this.

If barriers were broken down and the environment was universally accessible, then people with impairments would not be disabled. The WHO Community Based Rehabilitation (CBR) Matrix (WHO, 2010), highlights that health is just one component of CBR. Other areas relevant to disability include: Education, Livelihoods, Social Inclusion and Empowerment. Therefore if

development practitioners are involved in any of these areas then disabled people must be included in their programmes for them to be equitable and inclusive.

### **Myth 3 – Inclusion of disabled people is too expensive and not value for money.**

Although it is true that there is a cost to inclusion which needs to be factored into programme design, this does not mean that inclusion represents poor value for money. Value for money is not just about reaching the most people for the lowest cost. It is also about the quality of the intervention and the transformation that results. Bringing the extreme poor above the poverty line is likely to cost more than supporting those just below it. However, the impact may well be larger and the long-term savings higher, representing greater value for money. Planning inclusion from the start is the most cost effective approach. DFID's Disability Framework (DFID, 2014) states:

*“It is more effective and better value for money to consider disability inclusion from the start, rather than retro-fitting programmes. In terms of physical accessibility, providing fully accessible facilities can increase building costs by as little as 0.5 per cent to 1 per cent if planned, designed and implemented from the outset but retro-fitting is much more expensive.”*

Using the principles of Universal Design (Universal Design, 2015), buildings can be designed and constructed in a way which is accessible to all. This helps disabled people and ensures that buildings are more accessible to elderly people, carers with prams, young children and others.

However, inclusion is more than physical accessibility; it is ensuring disabled people are welcomed and given equal opportunities. CBM and London School of Hygiene and Tropical Medicine outline the Cost of Exclusion, highlighting that excluding disabled children from education *“leads to lower employment and earning potential. Not only does this make individuals and their families more vulnerable to poverty, but it can also limit national economic growth.”* (CBM & LSHTM, 2014)

In Bangladesh it is estimated that exclusion of disabled people from the labour market results in a total loss of US\$891 million/year; income losses among adult caregivers adds an additional loss of US\$234 million/year (World Bank, 2008). An additional cost of excluding disabled people from employment is that they then become reliant on social assistance rather than contributing to the economy. So Myth 3 remains a myth; in fact exclusion is far more expensive in the long run, both economically and in terms of the quality of life of the individual.

### **Myth 4 – Inclusion of disabled people is too difficult and we can't do it as we do not have the expertise.**

It's true that all organisations do not have expertise or experience of disability-inclusive development. However, for this very reason, mainstream organisations should explore how they can work in a consortium with others who have the relevant expertise. Partnering with Disabled People's Organisations and specialist disability organisations will ensure that the needs of disabled people are better understood and the skills of staff developed, with the experts on hand as needed to give any technical input or advice required. This partnership working needs to start at the design phase of the project and include an objective of building the expertise of mainstream development partners in disability-inclusive development to ensure organisational sustainability.

### **Modelling Good Practice - Food Security for the Ultra Poor (FSUP), Bangladesh**

The EC-funded Food Security for the Ultra Poor (FSUP) project in Bangladesh was a good example of disability-inclusive development, as illustrated in the project learning document 'Inclusion Works' (Bruijin, 2014). A consortium of four mainstream Bangladeshi NGOs and two disability specific organisations were supported by four international NGOs to improve the food security of

40,000 female-headed households. The mainstream Bangladeshi NGOs were the main implementers with the disability specific NGOs providing support for physical rehabilitation, training and technical support to ensure inclusion of disabled people and people affected by leprosy.

Of the 40,000 beneficiaries, 3,977 women (9.9 per cent) and 4,777 family members were disabled, along with 3,069 (7.6 per cent) women and 839 family members with minor impairments or treatable disease (predominantly leprosy). This totalled over 12,662 people included in this project who may well have been excluded from a mainstream development programme had inclusion not been made a priority.

Physical rehabilitation services, such as counselling, physiotherapy, occupational therapy, provision of assistive devices (protective footwear, wheelchairs, crutches, glasses, canes, and toilet seats), reconstructive surgeries and eye operations were provided by the disability-specific NGOs. This improved the functional ability and psychological well-being of disabled people. 70 per cent of people who received these services noticed positive changes in their ability to perform livelihood activities.

All women in the project were supported with two different income generation activities (IGAs). Disabled women did the same activities as their non-disabled peers, although they were given priority for shop keeping and tailoring over more manual labour and supported with occupational therapy to ensure their IGAs would not worsen their condition. As a result of the intervention, many women stopped low paid labour work and begging. At the end of the project 100 per cent of households with a disabled person were still working on their IGAs, 20 per cent more than the project target. On average disabled women earned the same income from IGAs as non-disabled women. The most profitable activities were broiler rearing, pond fish culture and beef fattening.

However, since the project was based on the self-help group model, before any of these activities could take place significant sensitisation work was needed with mainstream NGO staff and the general community for them to accept disabled women and women affected by leprosy into the groups. They also needed to be convinced of their abilities. It was only after such activities that inclusion was possible.

Disabled women stated that working was empowering and meant they were more respected within the family, as they were able to contribute to the family income. Being part of the women's group improved their social wellbeing and helped them to escape isolation. Many disabled women took on leadership roles within their group and 251 disabled women were elected as members of the federation committees. Acceptance by family and society increased from 32 per cent to 74 per cent.

As well as IGA activities, disabled people were also supported to access disability allowances from the government as a safety net to supplement family income. Access to safety net allowances increased from 28 per cent to 59 per cent by the end of the project.

Such changes can be illustrated by Alimon and Beauty's stories.

Alimon is a 55 year old widow. Twelve years ago she was diagnosed with leprosy. Her fingers of both hands and her legs were impaired, so she was not able to do household chores. As a result she was ill-treated by her son-in-law. People stayed at a distance from her because of the social stigma of the disease. She was identified by project staff and supported to join a women's group. She received protective footwear to prevent further disability to her feet and started poultry and goat rearing. Alimon was very happy with this opportunity but she was not always able to take care of the animals on her own, she needed

support from family members. Her daughter-in-law came forward to help, as she saw it would generate income for the family. Alimon says, *“My value in the family has been increased; now my neighbours talk to me, visit me and touch me and take advice from me to run income generation activities. This is a great achievement in my life.”*

Beauty is a 30 year old married woman. Gradually she lost her sight. Her husband, a daily labourer, often remained unemployed and the family didn't have even two meals a day. She was trained on goat rearing and poultry keeping. Beauty is now taking care of the animals and doing some vegetable gardening. However, she asks her family to communicate with the local livestock office for vaccinations and other health care needed for her animals. Her husband sells the eggs and vegetables at the market. This has enhanced their food security and Beauty is even able to save a little money with her village group. She said, *“I can't see, but I can feel the smiling faces of my family members. They are having food. If we can continue our IGAs we will never fall into extreme poverty.”*

So despite this project being implemented by mainstream NGOs, the technical input provided through partnering with disability specialists such as The Leprosy Mission, Light for the World and Centre for Disability in Development enabled successful disability-inclusive development.

## So, what next? Top ten tips....

If the sustainable Development Goals are really going to leave no-one behind, then NGOs and government programmes will need to include disabled people. Here are ten top tips to how to make this happen:

- 1. Before any call for proposals, develop links with organisations with specialisms in disability and build relationship so they can be partners in your programme.** This could include disability focused NGOs and/or Disabled People's Organisations. Disability inclusion may not be difficult but having the expertise of a specialist as a partner means you are more likely to implement good practice and plan appropriately for inclusion. It is also likely that they are involved in existing disability networks which may be of benefit when implementing your programme.
- 2. Inclusion starts at the programme planning and proposal writing phase.** If there are no specific strategies developed in the proposal to support equal participation, it is unlikely that disabled people will automatically be included in development programmes. This requires having accurate data on disability. If you don't have specific data then make a thoughtful estimate and build some flexibility into your budget. Plan for inclusion, right from the beginning. Remember the catch phrase of the disability movement “Nothing About Us, Without Us”, make sure disabled people are involved in the planning process.
- 3. Make sure your needs assessment and criteria for selecting clients do not exclude disabled people.** When you are doing your needs assessment, make sure disabled people are included. Remember that approximately 20 per cent of people have some kind of disability, so if one in five of the people you are talking to in your community consultations are not disabled then find out where these people are, seek them out and talk to them. Make disability an explicit part of the project selection criteria, with a percentage target linked to the number of people included. This can include individuals with impairment or family members. However, don't just include households affected by disability and work with able-bodied members of the household.



Remember a person who has impairment has many abilities and the project should be working with them to reach their potential.

4. **Ensure all data is disaggregated by disability and gender so that you have evidence of inclusion**, otherwise it will be impossible to measure equal participation. Include disability inclusion indicators in the M&E framework. Consider the different types of disability; are you including just those with physical impairments? What about those with sensory loss (hearing and sight impaired), how will you cater for their needs? Have you included particular groups of disabled people who often experience high levels of exclusion, such as those affected by leprosy or with intellectual impairments? Disabled women and girls often experience double discrimination and are particularly at risk. Ensure your M&E systems can demonstrate how many disabled women, men, girls and boys you are reaching.
5. **Ensure all programme staff and the senior management teams of all implementing partners are trained in disability inclusion right at the beginning of the programme.** This is essential as most of the barriers to inclusion are attitudinal; many people do not recognise the potential of disabled people. A change in mind-set of staff is often needed to ensure that activities planned with inclusion in mind are implemented effectively. Staff should be aware of the WHO CBR matrix and the holistic nature of disability inclusion. Training senior managers, so that they have a clearer understanding of the importance of inclusion and how to achieve it, is more likely to result in disability inclusion being given priority and becoming part of organisational practice. Stigma of people disabled by leprosy and other NTDs needs to be addressed through clear health and human rights messaging.
6. **Accessibility needs to be taken into account in all aspects of the programme.** This includes making sure meetings places are accessible, as well as ensuring that any construction is based on the principles of universal design. It is much more cost effective to plan accessibility into the design rather than to have to undo inaccessibility later.
7. **Generally there is no need to organise special training or select specific types of income generation activities (IGA) for disabled people, as long as training is planned in an inclusive manner and accessibility is considered. However, care should be taken to assess whether or not the IGA chosen by the person will lead to a further deterioration in their condition.** This is particularly important for people affected by leprosy who have sensory loss. Their loss of sensation means that certain types of manual work can lead to further disability. If further deterioration is likely then it should be considered whether occupational therapy aids could be used to prevent this, or whether an alternative livelihood would be more beneficial.
8. **It is good to involve household members in income generation activities, and training if this is needed, but ensure the disabled person remains at the centre of the intervention and maintains ownership.** This way, family members can support where necessary but the productivity and self-esteem of the disabled person is maintained.
9. **Build access to disability rehabilitation services, e.g. physiotherapy, medical care, assistive devices, into your programme and budget for this.** Often this rehabilitation support is needed in order for people to be able to undertake livelihood activities and for improved quality of life. Refer clients to other service providers or hire specialist who can provide these services within the programme.

**10. Medical and rehabilitation services are only one aspect of inclusion. Social inclusion and the removal of barriers within a programme and community are equally important.** In communities deeply ingrained beliefs and stigma often means that disabled people, particularly those disabled by leprosy, are not welcome. Sensitising community groups, particularly self-help groups members and community leaders, is important for the social acceptance of those affected by leprosy or disability, and ultimately for social integration.

## Conclusion

More than one billion of the world's population is disabled. One in five of the world's poor (WHO, 2011). For them to be included in development and for the premise of the Sustainable Development Goals – Leaving No-one Behind - to be achieved there is a desperate need for society to include disabled people, including those disabled by stigmatising diseases such as leprosy. This call for ensuring disabled people are not left behind needs to be acted on by mainstream NGOs and government programmes. Programmes must be inclusive and involve Disabled People's Organisations and specialist disability organisations in planning, implementing, monitoring and evaluation.

Disabled women, men, girls and boys have a right to inclusion, to be allowed to fulfil their potential. They have ability. Disability it is not just about health, it is not too expensive and it's not too difficult. These are myths.

If the ten key principles of:

- working in consortiums with expert disability input;
- planning for inclusion from the beginning;
- ensuring client selection criteria encourages inclusion, particularly of highly excluded groups such as those disabled by leprosy;
- collecting disability disaggregated data;
- considering accessibility in all programme activities;
- considering both abilities and impairments when selecting income generation activities;
- including household members of disabled people in training, where relevant, but ensuring the disabled person maintains ownership;
- providing rehabilitation services as an integral part of social development programmes;
- and addressing the social and psychological aspects of disability

.....then disability-inclusive development is not just possible, it can transform lives.

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**Livelihood Diversification in Aquaculture and Fishing in Africa:  
An Empirical Analysis with Special Reference to Uganda**

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## Abstract

While Africa in general and Southern Africa in particular is prone to water scarcity, which very often result in crop failures endangering food security, fisheries can be reliably managed in all seasons of the year. In Africa there are two types of aquaculture inland and off land or onshore. Under economic diversification policy as a means towards poverty eradication programme, many African countries having inshore water may rely on fishing. Uganda has embarked on promoting fish exports. With increase in global fish prices due to access to global markets such as European Union, there has been a four-fold increase in the fish retail prices. This has led to increase in fishing pressure and number of fishers on the Uganda lakes. This has resulted into over fishing and illegal fishing. Promotion of aquaculture as alternative to open access to lakes has been implemented. However, there are challenges with aquaculture that need to be addressed to make it an effective rural poverty reduction strategy. With decrease in fish catches, fishers have diversified their livelihoods. Diversification is influenced by factors that include endowment with assets such as land and buildings, human capital development such as level of education and fish related training

Key words: Aquaculture, Uganda, fishing, livelihood diversification, poverty reduction

## Livelihood Diversification in Aquaculture and Fishing in Arica

### –An Empirical Analysis with Special Reference to Uganda

With an average world's annual growth rate of about 11% over the past ten years aquaculture is poised to be the fastest growing sector supporting food security for the world food economy. Fisheries in the South African Development Community (hereafter SADC) region are diverse, with production of about 2.6 million tonnes of fish drawn from oceans, lakes and reservoirs and rivers every year. The SADC Member states also benefit from aquaculture (farmed fish). The significance of the above figures can be seen when compared to the estimated 2.5 million tonnes of fish caught from the African continent's inland waters, and over 5 million tonnes from marine areas in 2010 (Food and Agriculture Organisation of the United Nations, 2010).

Fisheries are natural resources that can be affected by human and environmental factors. Among the human factors include overexploitation of the fisheries as source of livelihoods, pollution from industrial and agricultural sectors. Among the environmental factors include climate variability where that habitants and breeding grounds of marine life like fisheries varies significantly due to changes in temperatures and rainfall. The effects of climate change on fisheries have been reported by the IPCC. This paper will mainly focus on aquaculture and the effect of changes on retail price of economic fish species on fishers' livelihood. It explores the factors that influence livelihood diversification among fishers on the shores of Lake Victoria in Uganda. The plan of the paper is the first section will explore the economics of fisheries and the concept of diversification. This is followed by brief overview of the fisheries sector in Uganda and challenges thereof. Aquaculture is examined in light of the challenges on open access fishing. The empirical analysis of livelihood diversification of fishers on the shore of Lake Victoria is discussed.

### Fisheries Economics

Fishery is a natural renewable resource which is an open access for everyone. There is a danger of over exploiting the fishery as explained by the tragedy of the commons (Hardin, 1968). In open access, many fishers harvest very few fish leading to collapse of the fishery. The Gordon-Shaefer (1954) bio economic model proposes an equilibrium catch and fishing effort so that fishing effort can be regulated to achieve maximum sustainable yield (MSY). In open access equilibrium, fish industry will be determined where total revenues equal to total costs. Firms will enter fishery under open access as long as price exceeds average cost. Fishing effort rises as price increases and this can be seen in case of market liberalisation in the fish trade. This result into fish catches declining hence stock could be depleted. Mechanism for regulating fishing effort includes

limiting the number of and size of fishing vessels, size of fishing gear, the number of days, which they are allowed to fish to avoid fish stock depletion (Hartwick and Oliwever, 1998). For African countries trying to diversify their economies, fisheries is one of the viable export commodities but these are faced with increasing fishing effort due to increased private sector investment yet with poor regulatory framework to ensure sustainable fisheries management (OECD, 2005). Rural communities with high prevalence of poverty tend to exploit natural resources such as forests and open access water bodies to escape the poverty trap in Africa, Asia and South America. There are factors that make fisheries different from other agricultural activities namely: biological renewability, open access, the absence of reliable data of fish stocks at every given time. (Allison, 2001; Hartwick and Olewiler, 1998).

### Livelihood Diversification

A primary *characteristic of pursuing a livelihood strategy is the share of income from an activity or combination of activities* (Freeman and Ellis, 2005). McCulloch et al. (2001) argue that trade liberalisation directly and indirectly affect households through three channels: the distribution channel, which relates to changes in the prices of goods and services; the enterprise channel, which relates to changes in profits, wages and employment; and the government channel, which relates to changes in taxes and transfers. Increase in price of liberalised agricultural goods leads to improved household incomes. Individuals or households may diversify into on-farm, off-farm and non-farm enterprises with improvement in their incomes (Reardon, 1997). Ellis (2000) defined rural livelihood diversification as: ‘The process by which rural households construct an increasingly diverse portfolio of activities and assets in order to survive and improve their standard of living’. Farm income refers to income generated from activities one’s property in the agriculture sector regardless of location or function (Barret et al., 2001a). This broadly includes unprocessed livestock, crop, forestry, fishing (Ellis 2000). Off-farm income refers to income from activities in agricultural sector away from one’s property regardless of sectoral or function classification (Barret et al 2001). Nonfarm income refers to income from activities outside agricultural sector regardless of location or functions (Barret et al 2001). These could be rental income from leasing land or property such as houses and buildings, business in urban centres. Non-farm rural self-employment includes business income such as motorcycle hire, retail shop, carpentry, remittances and pensions (Ellis, 2000). The importance of the nonfarm sector in rural livelihoods has grown in the recent past (Lanjouw and Lanjow, 2001). There are pull and push factors associated with the diversification. The pull factors include high income generated; potentially lower risk and greater social status (Deininger and Olinto, 2001). The push factors are lack of access to productive resources such as land, malfunctioning

land rental markets, entry barriers such as minimum requirements of physical and human capital (Reardon and Escobar, 2001).

### Importance of the Fish Sector in the Uganda Economy

The fisheries sector contributes to national economic welfare with overall contribution to the livelihood of nearly 5.3 million people (DFR, 2012). The sector has benefited from the economic reform programmes under the promotion of non-traditional exports and the sector is a major contributor to national economic growth (MoFPED, 2004). The sector is the second highest foreign exchange earner after coffee (MAAIF 2010b). The most important economic fish species are Nile perch (*Lates niloticus*) and Nile tilapia (*Oreochromis niloticus*). The major destinations for fish and fishery products being Europe (73%), United States (7%), United Arab Emirates (6%), Australia (3%), Japan (2%), Hong Kong (2%), Singapore (1%), Israel (1%), Kenya (1%) and other 22 countries in Asia and Africa (6%) (MTTI, 2006). Furthermore, it has poverty reducing impacts through increase in household incomes of fishing communities with backward and forward linkages leading to income multipliers and employment multipliers (Nkuba, 1997). The increase in fish exports is closely linked to improved household income resulting into poverty reduction (Keizera, 2004). Following liberalisation, the price of Nile perch at the landing site has shown a steady 9 fold increase over the last 15 years from a meagre 0.4USD/Kg to 3.6 USD/kg by 2011 (Keizera, 2004; MAAIF, 2011). This increase in price translated to increase in average income of fishers including boat owners and boat crew. The increase in average income was due to increase in private sector investment that led to 20 fish processing plants being established countrywide (MAAIF, 2005).

### Challenges of Fisheries in Africa: Illegal Fishing and Over Fishing

Despite government efforts to 'cab' illegal fishing practises, illegal fishing gear still poses considerable threat to the sustainable management of lake resources in Africa. An increase in illegal and unconventional fishing methods has become more prevalent due to high incomes from the fishing industry. Overfishing results in immature harvesting fish hence adverse impacts on fish population (FIRI, 2002). This could result in total collapse of the fisheries if the situation continues to get worse. The fishing effort has increased tremendously. The number of fishing vessels increased from about 3470 in 1988 to 23,455 vessels in 2010 (MAAIF, 2011; Muhozi, 2002). The number of fishers operating in the Uganda side of lake Victoria increased from 34,899 in 2000 to 56,957 in 2010 (MAAIF, 2011; NAFIRI, 2012). The number of fishing nets also increased fourfold from 84,977 in 1990 to 294,529 nets in 2000 (Muhozi, 2002). This threat is as result of increased fishers, poor regulatory mechanisms and increased fish price (Muhozi, 2002; Namisi, 2000). The threat of fish stock

depletion is high in Lake Victoria. The annual catches of Nile perch in Uganda part of the lake decreased from 94.903 tonnes in 2005 to 70.061 tonnes in 2011; a reduction of 24 percent in 7 years (MAAIF, 2011). The low catches for Nile perch correspond to high unit price to the extent that gross incomes for the fishers has almost doubled in 2011 as when catches were higher in 2005. The price incentive is one of the factors keeping the fishers in the business despite the declining catches (NARO, 2011). Interesting the high unit price has positive impact on rural poverty reduction. However, this can lead to the tragedy of the commons and total collapse of the fisheries.

Due to declining fish stocks, out of twenty certified fish processing factories, three processing plants completely closed down while the remaining operate at 30% of installed capacities (DFR, 2012). This eventually negates the previously achieved gains in employment and exports. The decline in catches has resulted in the negative growth of the fish sector from 2005 to 2009 (MoFPED, 2011). The total quantity of fish exported annually continues to decline. In 2010, the total value fell to S\$82, 036 million from US\$117.36 million in 2007 while the quantity exported also reduced to 15,42MT from 28.393MT in 2007(MoFPED, 2011). The fishing effort has increased tremendously that open access to lake may be regulated in future as stipulated in the fisheries bill (MAAIF, 2005). The bill is still trapped in bureaucracy but there are enough regulations with fisheries management and fisheries development issues in Uganda. Allison (2005) criticised the bill that it will stop the poor from overcoming the poverty trap, which, might lead to chronic poverty and increased inequality. Muhozi (2002) argued that environmental economists and marine biologists prefer controlled access to the lake in a bid to have sustainable fisheries management.

### Control of Open Access in Ugandan Lakes and Fish Exports

The Uganda government has controlled the open access to Lake Victoria by having regulations on the fishing gear. There are proposals and studies on having closed seasons and fishing areas. The Department of Fisheries Resources (DFR) is responsible for enforcing fisheries regulation, licensing, fishing boats as well as maintaining a national fish inspection and a quality control system. The DFR had come up with co-management system called beach management units (BMUs). They have had challenge of rising illegal fishing since 2005 as number of fishers went up with the increasing fish prices. In the context of fish exports, DFR is the Uganda's Competent Authority for ensuring and ascertaining quality and safety of fish both for domestic consumption and for export.

There are contradictions between poverty reduction and natural resource management. Market liberalisation of the fish sector had led to reduction in rural poverty with the increasing fish prices and access to global markets but



has also contributed to the increase in depletion of the lake fisheries with increase in illegal fishing practices. Barrier (2000) predicted that the effects resulting from economic reforms that may produce opposite incentive effects, potentially even outweighing the beneficial impacts. He noted that price incentives after liberalisation in Ghana and Mexico could lead to resource degradation. This paper suggests that the way forward will be to provide alternatives for fishers thus reducing the fish effort and having friendly private sector policies that will enhance local investment. Aquaculture and investments in rural infrastructure can provide alternatives to lake fisheries hence reduce fishing pressure.

### Aquaculture in Uganda

Prompting fish farming is a good alternative but it is only viable for those who own land. Lack of functioning land markets has affected investments in fish farming for resource poor farmers. The rural poor are very natural resource dependant and would easily resort to lake fisheries to escape the poverty trap with the rising fish prices. In 2004, aquaculture was identified and promoted by the Ugandan government as viable for processing and therefore could be a feasible alternative source of raw material fish for export industry amidst the declining fish catches (DFR, 2008). The Uganda government has made aquaculture a priority in Agriculture Sector Development Strategy and Investment Plan (MAAIF, 2010a). This has been through promoting fish ponds, cage farming and fish hatcheries. Aquaculture production rose from 285 metric tons in 1999 to 100,000 metric tons in 2011, with 2500 ponds existing throughout the country. Currently there are over 2000 emerging commercial farmers with over 5000 ponds (DFR, 2012). The fish farmers have focused on the production of two species; Nile tilapia (20%) and African catfish (80%) and farming for the Nile perch, being more difficult to cultivate, is probably several decades away (MTTI, 2006). Aquaculture has not complied fully with the international food safety standards and this would be one of the limiting factors for the export of the products to lucrative international markets such as the EU and the US (Bagumire et al., 2009). They recommended reviewing existing legislations for aquaculture and incorporate provisions that introduce risk analysis in the controls, develop the technical capacity and invest more resources in infrastructure for quality assurance for the growing aquaculture sector. They also noted that institutional and legal frameworks for quality assurance were established for capture fisheries but not for aquaculture. Aquaculture became priority due to the challenge of tremendous fishing pressure on the various lake fisheries in Uganda and increasing fish prices after market liberalization. The Uganda government has promoted aquaculture with little success. The major constraints are Low level of skills of farmers and advisory service providers, Competition in market place from cheap (often



illegal) fish from capture fisheries, Low investment in seed and feed due to high cost of capital (GOU 2005). With these challenges and poor adoption of aquaculture, fishers have resorted to diversifying their livelihoods. What are the factors that influence their diversification and what do they diversify into? The answers are explored in the study that was done on the shore of Lake Victoria in Uganda.

**Methodology for Empirical Analysis of Livelihood Diversification of Fishers on Lake Victoria:** Binary logistic regression is used to determine the factors that influence livelihood diversification of fishers. The justification of the name Logistic Probability Model can be seen as follows:

Assuming  $E(u_i) = 0$ , as usual (to obtain unbiased estimators), we obtain

$$E(Y_i | X_i) = \beta_1 + \beta_2 X_i$$

If  $P_i$  = probability that  $Y_i = 1$  (that is, the event occurs), and  $(1 - P_i)$  = probability that  $Y_i = 0$  (that is, that the event does not occur), the variable  $Y_i$  has the following (probability) distribution. Now, by the definition of mathematical expectation, we obtain:

$$E(Y_i) = 0(1 - P_i) + 1(P_i) = P_i \text{ we can equate}$$

$$E(Y_i | X_i) = \beta_1 + \beta_2 X_i = P_i$$

The logit model here can be written as:

$$L_i = \left( \frac{P_i}{1-P_i} \right) = \beta_1 + \beta_2 X_{1i} + \beta_3 X_{2i} + \beta_4 X_{3i} + u_i$$

For the purpose of the study a sample of 149 fishers was conducted from June to August 2005 at Kanseero landing site on Lake Victoria in Rakai district in Uganda. Out of 149 individuals, only 135 diversified. Those who diversified, only 71 diversified into livestock farming, 103 into crop farming and 59 into petty trade. This number of observations in each case represents those that diversified into a particular enterprise. Not all go for the same enterprise. We used the selection criteria of those who diversified not the whole sample of 149. Quantitative data were analysed using Statistical Package for Social Sciences (SPSS).

An attempt has been made in this paper to examine determinants of livelihood diversification strategies employing logit regression model. A fisher pursues a particular livelihood diversification pattern as determined by the characteristics (such as age, gender, level of education, having training and engagement in particular activities (acres devoted to particular crop types as well as livestock holdings by animal types). These variables can be interpreted as capital asset

endowments of households, i.e. human (knowledge, labour) and financial (land, livestock) capital assets, and will help us understand their linkages with poverty and resource use through livelihood diversification patterns.

Dominant livelihood diversification patterns emerging from variables representing income contribution of sub-groups of crop, livestock and off-aquaculture income activities are examined. Their implications on poverty and resource use are important. Five dominant livelihood diversification patterns identified through our analysis are [1] specialisation in casual employment, [2] specialisation in traditional livestock, [3] staple food crops, [4] fruit exotic animal integration, and [5] specialisation in regular off-farm. This finding confirms the trend reported by livelihood specialists that differentiation between

Our results suggest that being landlord, owning buildings and having dependants significantly and positively influenced the probability of diversifying for fishers. Efforts to diversification of livelihood involve risk. Being endowed with resources such as land, building enhances probability for diversification for fishers.

Bank loans negatively but significantly influenced the probability of diversifying for fishers.

Diversification of livelihood income into crop farming is significantly and positively influenced by owning land. Access to land and security of land tenure system play a crucial role. To reduce the excessive fishing effort, policy makers have to put in place effective land tenure policy. There are many challenges in access to land hence impeding diversification.

Probability of diversifying income into livestock farming is significantly and positively influenced by Owning land, and local cows. There are different livestock kept such as goats, chicken cattle in both local and exotic breeds but local cows are most significant in contributing to diversification. Local cows are more resistant to diseases, have easier management and treated like assets. Access to land influences how big the herd will be for grazing purposes. Local cows act as financial stock with many fishers not having bank accounts hence much farm income is invested into local cows. Level of education and fish training positively and significantly influenced the probability of diversifying income into petty trade. Human capital development in terms of primary education and fishing related training are very crucial for investments in petty trade leading to livelihood diversification.

Primary education is relevant for their business management, business registration with local authorities, involvement with micro finance institutions and communication with the various customers in English. Fish training

enhances the fish income which is diversified into petty trade. However, owning a boat and age influenced the probability of diversifying income into petty trade negatively and significantly. The older the fisher gets the lower is diversification and less he invests in petty trade.

| Table 1: Determinants of Livelihood Diversification for Fishers on Lake Victoria in Uganda (Rakai district) |                 |         |                   |          |              |           |             |           |
|-------------------------------------------------------------------------------------------------------------|-----------------|---------|-------------------|----------|--------------|-----------|-------------|-----------|
| Variable                                                                                                    | Diversification |         | Livestock farming |          | Crop farming |           | Petty trade |           |
|                                                                                                             | z               | Coef.   | z                 | Coef.    | Z            | Coef.     | Z           | Coef.     |
| Age                                                                                                         | 0.993           | -0.069  | 0.16              | 0.4006   | 1.003        | 0.0482    | 3.719       | -0.136*** |
| Landlord                                                                                                    | 2.198           | 0.890** | 2.14              | 2.1403** | 2.076        | 0.7997*** |             |           |
| Owens building                                                                                              | 2.052           | 0.855** |                   |          | 0.674        | 0.3792    | 1.579       | 0.595     |
| Fishnet                                                                                                     | 1.374           | 0.807   |                   |          |              |           |             |           |
| Boat owner                                                                                                  |                 |         |                   |          |              |           | 3.401       | -6.278**  |
| Employs                                                                                                     |                 |         | 0.669             | 0.6685   |              |           | 1.194       | 0.443     |
| Belong to Social Group                                                                                      |                 |         |                   |          | 1.531        | 2.7662    | 1.532       | 0.553     |

|                             |            |           |       |           |        |         |            |          |
|-----------------------------|------------|-----------|-------|-----------|--------|---------|------------|----------|
| Belong to Fisher Group      | 1.228      | 3.251     |       |           | 0.636  | 0.3949  |            |          |
| Single                      |            |           |       |           |        |         | 1.232      | 0.79     |
| Married                     |            |           |       |           |        |         | 1.115      | 0.706    |
| Level of Education          | 0.873      | 0.53      | 1.024 | 1.0242    | 0.3451 | -0.652  | 0.565      | 0.037**  |
| Fish Training               | 1.2        | 0.754     |       |           | 0.927  | 0.5247  | 3.888      | 0.916*** |
| Savings                     | -<br>1.292 | 6.119     | -1.39 | -1.394    | 2.3183 | -0.387  | 0.932      | 0.638    |
| Bank loan                   | -<br>2.703 | 75.767*** | -0.98 | -0.9794   |        |         | -<br>0.704 | 0.75     |
| Local cow                   |            |           | 5.304 | 5.3037*** | 1.609  | 0.7819  |            |          |
| Has dependants              | 1.762      | 0.880*    |       |           | 0.5055 | 0.333   |            |          |
| Involved in Decision Making | -          | 4.5       | 0.839 | -0.8394   | 1.522  | -2.6224 | 0.602      | -0.371   |

|                        |       |       |      |        |       |         |      |          |
|------------------------|-------|-------|------|--------|-------|---------|------|----------|
| on Lake Utilization    | 1.083 |       |      |        |       |         |      |          |
| cons                   | 0.018 | 1.041 | 3.08 | 3.0795 | 0.907 | 30.2718 | 2.76 | 16168.25 |
| No. of obs diversified |       | 135   |      | 71     |       | 103     |      | 59       |
| Sample size            |       | 149   |      | 135    |       | 135     |      | 135      |
| R adjusted square      |       | 0.282 |      | 0.495  |       | 0.191   |      | 0.359    |
| Rsquare                |       | 0.609 |      | 0.66   |       | 0.369   |      | 0.481    |
| Prob                   |       | 0     |      | 0      |       | 0       |      | 0        |

## Conclusion and Policy Implications

In this study, livelihoods diversification patterns of fishers in the Rakai district are examined. Access to global markets and high fish prices along with climate change have had positive impact on rural poverty reduction. Diversification pattern has undesired effect of tremendous fishing pressure on the lake and unsustainable management of fisheries after market liberalisation. Reviewing institutional and legal frameworks for aquaculture quality assurance are critical for accessing lucrative export markets. Addressing the challenges of aquaculture is very critical for rural poverty reduction strategies to be effective. Promotion **of aquaculture** and policies that enhance non-farm sectors such as petty trade leading to livelihood diversification should be given priority in national economic policies for poverty reduction.

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## Market Economy in India and the Dangers of Social Exclusion

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**Abstract:** The initiation of liberal, market-oriented economic reforms in India in 1991 continues to generate debates, after two decades of such reforms. While advocates of market economy pointed towards India's economic growth during the last two decades, critics referred to issues of exclusion of marginal people from the market, increasing rural-urban dichotomy, digital divide, and incursion on the social and cultural fabric, including caste-based job opportunities. The gradual roll-back of the state, according to critics, would deprive people of social security. Economic exclusion of the marginal may exacerbate socio-political-cultural exclusion for these people and may deny them civil and political rights. Markets may also bring coercive inclusion of people in the form of woman and child labour. Benefit of market economy was cornered most by the urban middle class, while the rural poor, who comprise majority of the population, stand excluded. The economic reforms have meant loss of livelihood for many people in traditional jobs. Due to increasing income and wealth inequality, social violence may go up leading to problems of governance. This paper focuses on the debates surrounding liberal economy and analyses the dangers of exclusion of marginal people, caused by market economy in India.

**“No One Cares Enough”  
Using Photovoice to Explore Climate Change and Emergencies with  
Students from The International School of Macao**

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## **ABSTRACT**

Photovoice is a research strategy that combines elements of Freire and feminist theory, with participatory action research techniques, and documentary photography. TPVP was a photovoice project that enabled eight students from the International School of Macao to explore their views on climate change and emergencies. Beginning with a review of literature of photovoice and its implementation with children, this paper also considered children's rights, child participation (including in research, in emergencies and in relation to the environment) as well as the concept of children's agency. The paper then summarized and analyzed the outputs of TPVP. In conclusion, the paper found that for the most part, TPVP was designed and implemented consistently with the methodological literature. Where it diverged, TPVP was also consistent with many other photovoice projects in its lack of a social action plan and only indirect engagement with policy makers. TPVP recognized its child participants as rights holders including them in most aspects of the project and through their participation demonstrated in a limited manner, children's agency.

## **KEYWORDS**

Photovoice, children, participation, agency, emergencies, climate change, Macau

## **“No one cares enough”**

### **Using Photovoice to Explore Climate Change and Emergencies with Students from The International School of Macao**

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## **INTRODUCTION**

On 9 and 12 of January 2015, eight grade nine students from the International School of Macao (TIS) participated in a photovoice project. The TIS PhotoVoice Project (TPVP) was implemented in part, to provide students with an opportunity to express their thoughts and opinions about emergencies and climate change in their community. The purpose of this paper is to analyze and disseminate the findings of TPVP. It thereby intends to give voice to the children who participated in the project. The paper explores the utility of photovoice as a research strategy with children in relation to the issues of climate change and emergencies. Additionally it considers the participatory nature of photovoice as a means of realizing children's right to participate in matters that affect them and to demonstrate children's agency.

## **CONTEXT**

Macau (or Macao) is a former Portuguese colony that was reunified with the People's Republic of China (PRC) in 1999. It holds Special Administrative Region (SAR) status and operates like Hong Kong under the 'one country, two systems' principle. It is a popular gaming destination and the only legally sanctioned centre for gambling in the PRC.

Macau is approximately twenty-six square kilometers with an approximate population of 630,000. It consists of an island that is connected by three bridges to its adjacent peninsular territory at the south-western edge of the Pearl River delta. The island part of Macau had previously been two separate islands, Coloane and Taipa. The two islands were joined through an extensive land reclamation effort that resulted in the Co-Tai strip.

Macau does not appear as a separate entity on the *WorldRiskReport 2014*, however the PRC is ranked 78 on its World Risk Index. Conflating Macau with the rest of the PRC is a limitation as these two contexts have different socio-economic, political, historic and cultural realities. However in absence of more specific information, the PRC data has been used to provide some general context. For all three of the components of vulnerability to natural hazards, the PRC is ranked at a medium risk level, with its overall exposition ranked as high. Perhaps slightly more useful for the context of Macau, in terms of urban exposure, urban vulnerability, and urban risk, the Report ranks the PRC in its medium category (Garschagen et al, 2014).

*EM-DAT: the International Disaster Database* shows that Macau has been affected by multiple storms and an epidemic since 1900 (Guha-Sapir, Below, & Hoyois, 2009). OCHA (2014) has ranked Macau at Degree VI for risk of earthquake on the Modified Mercalli Scale and in the second category of tropical storm intensity on the Saffir-Simpson Scale. And, Burkett (2011) recognized that the Asia-Pacific region, to which Macau belongs, “is often deemed climate change ground zero” (p. 2).

The International School of Macao (TIS) was founded in 2002. Accredited by the Ministry of Education in Alberta, TIS uses a Canadian curriculum, and English as its primary language of instruction. Classes range from pre-kindergarten to grade twelve. It has a student population of 1010 from 44 countries (see [www.tis.edu.mo/about](http://www.tis.edu.mo/about)).

## **WHAT IS PHOTOVOICE?**

Photovoice is a research strategy that combines elements of Freire and feminist theory, with participatory action research techniques, and documentary photography. The strategy equips individuals to take photos in their community to educate and influence policy (Wang, 2006). In using photovoice with marginalized populations, Wang and Burris (1997) indicated that the process of image creation “affirms the ingenuity and perspective of society’s most vulnerable populations” (p. 384). Three goals guide photovoice, “(1) to enable people to record and reflect their community’s strengths and concerns, (2) to promote critical dialogue and knowledge about community issues through large and small group discussion of photographs, and (3) to reach policymakers” (Wang & Burris, 1997, p. 370).

Photovoice is implemented through a nine-step process. Wang (2006) summarized the steps as:

- Select and recruit a target audience of policy makers or community leaders
- Recruit a group of photovoice participants
- Introduce the photovoice methodology to participants, and facilitate a group discussion about cameras, power, and ethics
- Obtain informed consent
- Pose initial theme/s for taking pictures
- Distribute cameras to participants and review how to use the camera
- Provide time for participants to take pictures
- Meet to discuss photographs and identify themes
- Plan with participants a format to share photographs and stories with policy makers or community leaders (pp. 149 - 152).

Through these steps, the researcher is a facilitator, and the participants are enabled to assess and analyze their context. Together they determine how to undertake social action.

As will be shown, TPVP enabled participating students to explore the affects of climate change and emergencies in Macau through photovoice. Because of the thematic focus of TPVP, a brief review of literature on the use of photovoice with children and children’s participation including within research and during emergencies and disaster risk reduction, can be found below.

## **PHOTOVOICE AND CHILDREN**

Photovoice is well suited for use with young people and can “harness the desire of young people to exercise autonomy and express creativity while documenting their lives” (Wang, 2006, p. 159). In Wang’s (2006) assessment of the use of photovoice in youth projects, she noted some common characteristics such as,

- (1) the involvement of young people in all aspects of the research;
- (2) a co-learning process in which youth, policy makers, and researchers contribute to and learn from one another's expertise;
- (3) a reflective process that involves education for critical consciousness;
- (4) an enabling process; and
- (5) a balance among the goals of research, action, and evaluation" (p. 156).

Wang also found that some researchers have experienced challenges implementing photovoice projects with youth due to some participants requiring significant encouragement to complete the project, and the effect of concurrent personal and family crises in young people's lives (p. 157).

In consideration of the ethical aspects of using photovoice with young people, Wang (2006) suggested the use of three types of consent forms. The first, seeks the consent of the participant and of the participant's parent/guardian if the participant is a child; the second, is for use by the participants to acquire consent of any potential subjects in the photos taken; and the third, provides the participants' permission for the researcher to use the photographs taken during the project. The consent of a parent/guardian is recommended to minimize participants' vulnerability given the "potential tendency to downplay risks or adverse consequences of incriminating photos" by youth participants (Wang, 2006, p. 158).

Strack, Magill, & McDonagh (2004) used photovoice with inner city children, aged 11 – 17, as a means of empowerment and to "observe how the characteristics of adolescence would influence the photovoice process" (p. 50). They concluded their project was successful but that photovoice did not prove to be a panacea in achieving full empowerment for its participants. In using photovoice with youth they recommend selecting an appropriate and stable site, preparing a detailed but flexible timeline, recruiting participants prior to project inception, and, ensuring the duration of the project and its sessions are appropriate.

In their review of photovoice literature, Kuratani & Lai (2011) identified the lack of a social action plan, and/or a lack of group process, and dialogue, as points of criticism against past photovoice projects. They suggested that an absence of these components might diminish the benefit for participants.

## **CHILDREN'S RIGHTS, PARTICIPATION AND AGENCY**

The participatory nature of photovoice complements a child-rights approach to research guided by principles drawn from the Convention on the Rights of the Child (CRC). The CRC is the most widely ratified international human rights instrument. To date, all but two member States of the United Nations, South Sudan and the United States of America, have ratified (or acceded to) the CRC making it near universal in scope.

The CRC defines a child as "every human being below the age of eighteen years" (Article 1). It contains civil, political, economic, social and cultural rights for children that are non-heirarchical and interdependent. The implementation of the CRC is guided by four principles: non-discrimination (Article 2); best interest of the child (Article 3); life, survival and development (Article 6); and, participation. Article 12 of the CRC, grants children the "right to express" their views in "all matters affecting the child". Other articles, namely 13 – 15, address other aspects of participation such as freedom of expression, thought, conscience, and association. The CRC also contains protection and provision rights.



The Committee on the Rights of the Child (the Committee) has provided specific guidance on children's participation. It advised that, "expressing views is a choice for the child, not an obligation. States parties have to ensure that the child receives all necessary information and advice to make a decision in favour of her or his best interest" (p. 8). This point reinforces the voluntary nature of participation and the obligation of duty-bearers to ensure that conditions of participation (in this case through the provision of information) are met. Furthermore, regarding the interdependent nature of the two guiding principles of participation and best interest of the child, the Committee advised that "one establishes the objective of achieving the best interest of the child and the other provides the methodology for reaching the goal of hearing either the child or the children" (p. 18). The Committee has also provided guidance in relation to the phrase "all matters affecting the child". It supports a broad interpretation of what constitutes 'matters' so as to "include children in the social processes of their community and society...wherever their perspective can enhance the quality of solutions" (Committee on the Rights of the Child, 2009, p. 10).

Answering the question 'why it remains important to take children's rights seriously', Freeman (2007) stated it is because

those who have them can exercise agency. Agents are decision-makers. They are people who can negotiate with others, who are capable of altering relationships or decisions, who can shift social assumptions and constraints. And there is now clear evidence that even the youngest can do this...As agents, rights-bearers can participate. They can make their own lives, rather than having their lives made for them (p. 8).

In their assessment of a Bangladeshi children's organization, White and Choudhury (2007) concluded that there are three challenges related to the relationship between children's agency and children's participation. They found a vulnerability to class bias and co-option of priorities; that participation has become an institutionalized project of development agencies; and the need to identify and use the relevant forms of resource that children rely on to best support their agency. White and Choudhury (2007) question "who is authoring action, and on whose terms does it take place. Children who were posed as subjects in giving voice to their experiences simultaneously became objects of the gaze of others" (p. 530). But, by recognizing children as rights holders, they become subjects or agents, rather than objects of others' actions (p. 535).

Skelton (2007) illustrated a number of challenges related to how children's participation was constructed within UNICEF's *State of the World's Children 2003*. These challenges reflect broader issues that impact children's participation such as children being conveyed as innocents based on largely Northern/industrial concepts of childhood; the decontextualized assessment of what constitutes authentic participation without recognizing the sociocultural, economic and political structures that exclude or marginalize children in the first place; and the notion that participation creates good future democratic citizens. With regard to the latter, Skelton raised the pervasive perception of children as human 'becomings' versus human 'beings', which undermines their agency and the ability for the effective realization of their rights (p. 176 – 177).

Participation can be seen as a means or an end to "ensure greater relevance, efficiency and impact...to achieve democratic and inclusive processes of governance"

or to improve the lives of marginalized populations (Hart, 2008, p. 407). Hart concluded that participatory approaches used with children in the context of international development programming may have benefited individual children by building confidence, knowledge, skills and networks, but little has been achieved by way of broader systemic change (p. 416). Hart argued that systemic change can occur when more than just a localized focus on the participation of children is replaced with attention to the political-economic and socio-cultural structures that constrain children as members of the underclass (p. 414).

## **CHILDREN'S PARTICIPATION AND RESEARCH**

When considering the literature on children's participation, Hart's (1992) work on behalf of UNICEF's Innocenti Centre is an important starting point. In describing participation, Hart used the metaphor of a ladder with eight steps: manipulation, decoration, tokenism, assigned but informed, consulted and informed, adult-initiated shared decisions, child-initiated and directed, child-initiated shared decisions with adults (p. 8). Each step up the ladder increases the degree of participation and meaningful participation is prefaced by choice: that children are given the opportunity to choose to participate, in what ways, and to what extent. In relation to research with children, Hart (1992) argues that "children do not have the same competence in communicating as adults but this does not mean that information from children is invalid...we need to be sensitive to children's development and find methods which maximize their ability to speak about issues which concern them in a manner which is most comfortable to them" (p 15).

Beazley, Bessell, Ennew & Waterson (2009) developed their approach to rights-based research with children on the idea that "children have the right to be properly researched" (p. 370). They derived their approach from their interpretation of four Articles of the CRC. They suggested that research with children should be based on a child's

right to provide opinions (article 12), the right to freedom of expression using a medium of children's own choice (article 13); the right to protection from forms of exploitation not addressed in other articles (article 36); and the right to the highest possible standards being used in work with children (article 3.3) (p. 370).

Regarding the ethics of voluntary participation, the authors cautioned against the use of descriptive categories that children themselves might not identify with. They suggested that, "to fail to take into account children's own self-perceptions when describing their lives is to violate their dignity. And dignity is the touchstone of human rights" (p. 374). Confidentiality and privacy and the realities of culture were also noted as challenges in undertaking research with children.

## **CHILDREN'S PARTICIPATION, THE ENVIRONMENT, AND EMERGENCIES**

Pevato (1994) attempted to clarify efforts to construct a child's right to a decent environment. She concluded that children have a vital internationally acknowledged role to play in environmental protection (p. 189). However, that role is

“dependent upon the political will of their leaders to include them in the decision-making process” (Prevato, 1994, p. 189).

The UN Conference on Environment and Development’s *Agenda 21* recognized children and youth as a major group with a role to be strengthened in support of sustainable development. *Agenda 21* stated that children are “highly aware supporters of environmental thinking. The specific interests of children need to be taken fully into account in the participatory process on environment and development in order to safeguard the future sustainability of any actions taken to improve the environment” (section 25.12).

In 2007, UNICEF published a guide to children’s participation in emergencies. The guide highlighted a number of reasons why children’s participation during emergencies is important including an improvement in the quality and reach of emergency programming; children are able to convey their own particular needs and concerns; and, by excluding children during emergencies can violate their rights and more broadly undermine their place in society by reinforcing prevailing adult perceptions (UNICEF, 2007, p.5). UNICEF found that children’s involvement in participatory projects prior to the 2004 Indian Ocean tsunami provided some of the confidence and ideas that children used to respond to the devastation that they experienced. And, UNICEF has identified environmental learning as a way to raise children’s awareness of possible hazards and contribute to the prevention of disasters.

Nikku (2012) determined that it is possible for children’s participation to occur at all stages of emergencies, and as a right, participation can enhance ownership and sustainability (p. 63). Lopez, Hayden, Cologon & Hadley (2012) concluded that personal and community vulnerabilities are reduced with an increased awareness about the value of child participation.

## **THE TIS PHOTOVOICE PROJECT (TPVP)**

The TIS PhotoVoice Project (TPVP) was proposed by the researcher to the TIS Head of School on 2 December 2014 and presented to the faculty at a general staff meeting on 11 December. During the week of 5 January 2015, the project was announced to grade eight, nine, and ten students. Homeroom teachers encouraged the voluntary participation by interested students and distributed parental consent forms. On January 6<sup>th</sup>, the researcher was invited to present an overview of the project to all grade eight and one of the grade nine homeroom classes.

The project was implemented on 9 and 12 January 2015. The intended purpose of TPVP was threefold:

- To provide students the opportunity to express their thoughts and opinions about emergencies and climate change in their community (Macau) and contextually examine the concept of children’s agency
- To build the capacity of TIS faculty by equipping them with a participatory research strategy that can be used with students while informing them about other research on child protection in emergencies and disaster risk reduction
- To practice using photovoice with children in preparation for other research on these topics.

The first TPVP session on 9 January began by collecting parental permission forms and explaining the purpose of the project. Voluntary participation was discussed and students were asked to sign participant consent forms. Then a short discussion ensued regarding emergencies and climate change and how students felt

these affected their community. Participants were provided with two questions to guide their photo taking:

- How is my community affected by climate change and emergencies?
- What strengths/assets are in my community to deal with climate change/emergencies?

Students were then provided with guidance on ‘ethical photo taking’. This included the need to seek approval by individuals who are identifiable in their photos; the use of subject consent/release forms; and the responsibility to represent their subject matter with integrity. Students were offered, but declined the use of digital SLRs, opting instead to use their personal camera phones.

A total of eight grade nine students participated in TPVP. All students were fourteen years old at the time of their participation and in grade nine at TIS. Five of the participants were female, three male. Five of the students were originally from Macau (local residents) and the other three, were born abroad (expat/international students).

Participants divided themselves into three groups. Group one was made up of three male students. Group two was made up of three female students. The final group was made up of two female students. Students were instructed to work in their group and then sent out to take photographs over the weekend. Between sessions, students were given access to a Google drive folder via email and asked to upload their photos.

The second TPVP session was held on 12 January. One female student was unable to attend the second session but her group conveyed the collaborative work. A second female student had to leave the session early due to other extra-curricular obligation but discussed her ideas about the photos taken with the rest of her group prior to departure.

During the second session, students were given time in their groups to select one photo that best represented their collective response to each of the two questions. They used the school equipment to print their photos. Students were then asked, in their groups, to label (give a title to) each of their selected photos.

A short facilitated discussion occurred using SHOWeD, which enabled the students to explore the meaning of their photos in relation to the themes of climate change and emergencies. SHOWeD consists of the following questions:

- What do you SEE?
- What’s really HAPPENING?
- How does this relate to OUR lives?
- WHY does this situation (concern, or strength/asset) exist?
- What can we DO about it? (Wang, 2006, p. 151)

Following the SHOWeD analysis, students were asked to identify a common theme (or themes) that existed in the photos. Then, dissemination of the photos and analysis were discussed. Finally, students were provided with a participation certificate and thanked for their involvement in TPVP.

## **PHOTOS, ANALYSIS AND DISSEMINATION**

Each group presented a photo that depicted how they see climate change and/or emergencies affecting Macao. Group 1 entitled their first photo “Pollutions”. The photo shows one of the many construction sites in Macao. The specific site is in Taipa and the photo is taken from the Coloane side of the island, where the

construction is juxtaposed with a large green space (a golf course) and the Cotai strip, with its casinos and resorts. The students indicated that they saw construction in Macao as a contributor to climate change through the pollution it creates, and its reduction in the amount of natural habitat and green space left in the region.

**Photo 1: Pollutions**



**Photo 2: Land Reclamation**



The second group's photo was entitled "Land Reclamation" and shows the construction of three large man-made islands in the Macau harbor. One of the students from Group 2 stated that the photo depicts something that she sees regularly and causes her concern. The label included on the photo further explained, "land reclamation is a problem for the safety of Macau citizens, especially because of the rising sea level due to global warming". In the photo, the fabricated islands appear to be only a couple of meters above sea level. However, during the discussion it was clarified that the islands will be used to support the Hong Kong-Zhuhai-Macau bridge, not for housing. This led the students to question whether the bridge would further contribute to climate change by increased car traffic (and use of fossil fuels and pollution) as compared to the reliance on ferries.



**Photo 3: Trash and Debris in Coloane**



Group 3 selected a photo of a highly polluted area with a run-down shack made of corrugated aluminum sheeting near the water. The photo was labeled “Trash and Debris in Coloane”. Group 3 also expressed concern with pollution and its affect on the environment in Macao.

Students in all three groups were able to identify strengths or assets present in Macau to address climate change and emergencies. Countering their first photo, Group 1 presented a photo entitled “Anti-Pollution”. The photo shows a Macanese park that includes both natural and planned landscaping with a diversity of tree and shrub species.

**Photo 4: Anti-Pollution**



Group 2 presented their second photo entitled “Fire emergency plan”. The picture shows a marked emergency exit, sand buckets, a fire extinguisher and an intercom call box. The photo demonstrates the presence of infrastructure and equipment in Macau to address emergencies.

**Photo 5: Fire Emergency Plan**



**Photo 6: Recycling Bins**



“Recycling Bins” was the final photo presented. Group 3 used this photo to demonstrate the presence of a recycling program in Macau and a response to the issue of pollution illustrated in their first photo. The photo shows three large institutional recycling bins for aluminum cans, paper, and plastic bottles.

In terms of a unifying theme, the participating students recognized that there appears to be a frustrating cycle in relation to climate change. First, the students and their photos identified that human activity is creating and contributing to climate change. And then, while efforts are made by humans to address climate change, it never seems to be enough to really improve the situation. Concern was expressed by one of the participants, and agreed to by others, that resources are not being used efficiently and that, “no one cares enough”.

TPVP photos along with a short summary of the project were shared through the TIS website and social media sites, as well as the researcher’s twitter account. A TIS bulletin board was designated for use by the project. The labeled photos, pictures taken during the analysis discussion, and a summary of the project were all posted to the bulletin board so that TIS students, faculty, staff, and families could view the outputs of TPVP. The participants suggested that the photos and project summary be shared with the school and local newspapers. On 27 January 2015, Macau Business Daily covered the TPVP story with a brief article on their website (Macau Business Daily, 27 January).

## **CONCLUSIONS**

### **1. Methodological Coherence and Variance**

TPVP adhered to most of the steps that make up the photovoice technique as detailed in the literature review. A group of voluntary participants were recruited prior to the project’s inception; the methodology was introduced to participants and a group discussion was facilitated about cameras and ethics; informed consent was obtained (from the participants, their parents/guardians, and the host institution); a theme was posed for picture taking; cameras were offered to participants, but personal camera phones were used instead; time was provided for photo taking; participants met and discussed themes evident in their photos; a stable site was selected for project

implementation; and the duration of the sessions was appropriate – at a time that was convenient for participants and consistent with other extra-curricular activities.

Where it diverged, consistent with Kuratani & Lai's findings from other photovoice projects, TPVP lacked a social action plan. While the photos and findings of TPVP were shared with the TIS students' immediate policy-making community (the TIS administrators), these policy makers have a limited role in relation to the thematic topics of the project (climate change and emergencies). However, the project did respond to the participants' desire to share their photos and stories with the broader community of Macau. TIS administrators supported the student's dissemination plan and created a media announcement with input provided by the researcher.

## **2. Thematic Focus**

While Macau has experienced a number of emergencies over the years, at the time of TPVP, Macau was unaffected by natural hazards. The effects of climate change may not be readily obvious because of its relatively slow onset and impact at a global level. Perhaps it is unsurprising then, that the participating children focused the content of their photos on general environmental issues such as pollution. Students clearly recognized the effects of pollution in Macau. And notwithstanding this generalized focus on environmental issues and pollution, during the facilitated discussion, participants were able to identify the relationship between the content of their photos, and the specific topics of climate change and emergencies.

## **3. Theoretical Conclusions**

The ability to identify the contributing factors of human activity (construction in Macau, destruction of natural habitat and loss of green space, pollution) on climate change may suggest a starting point for the participants to further assess and analyze the structures that constrain them as recommended in some of the literature reviewed above (Hart, 2008; Skelton, 2007). During their photo analysis, some of the participating children were able to disregard the dominant economic model and engine of growth in Macau (expansion of the gaming industry represented by casino/resort construction; construction of the Hong Kong-Zhuhai-Macau bridge) and recognize the human shortfalls in addressing the impact on the environment. While the participants did not fully explore how these structures constrain or marginalize them as children or as members of a specific class, they were able to recognize the lack of political will to address an issue that is affecting their lives, the community, and the world.

TPVP recognized the children who participated as rights holders. Informed consent was obtained from each participant notwithstanding their age, and in addition to the consent/permission of the participants' parent/guardian, and the permission of the host institution. Participation was voluntary adhering to the recommendations by Hart (1992) and the Committee on the Rights of the Child (2009); students were given the choice to participate, and to discontinue their involvement in the project at anytime without consequence. The project gave participants the opportunity to be heard in matters that affect them (climate change and emergencies) and participate in most aspects of the project. While the thematic focus of the project was selected by the researcher, the participating children were able to nuance the theme to address what they thought was important about the topic (pollution, environmental impacts of human activity, and the effect of rising sea levels on people in Macau). The photos were taken and analyzed by the participating children. And, the participating children



had specific ideas about how the project outputs could be shared with their community, including, indirectly, with policy makers (through school newspaper and local media).

Beyond recognizing children as rights holders and their right to participate, TPVP also aimed to examine children's agency in relation to the thematic issues of climate change and emergencies. Not unlike Strack, Magill & McDonagh (2004), the TPVP experience does not suggest that photovoice is a panacea, in this case, for children's agency. However, TPVP does show that photovoice enabled participating children to express their opinions and recommend action to be taken to address climate change and emergencies in their community. While the participants did not initiate their own specific plan of action, they did identify their intended use of infrastructural mechanisms already in place in Macau (recycling program, emergency equipment) and efficiency with resources. Conscious of White and Choudhury's (2007) point regarding children's agency, the intended purpose of TPVP wasn't to objectify children through their participation. Rather this paper aims to recognize what the participating children determined to be relevant action as a result of their involvement in the project. TPVP was a very short-term project. Perhaps with more time participants would be able to demonstrate agency more clearly in relation to the thematic issues of study. More research is required to further explore these theoretical and methodological issues in the context of Macau.

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# **Poverty Reduction, NGOs Intervention and Community Development in Sri Lanka**

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## **Abstract**

After more than several decades of developments efforts, poverty still remains as a major problem in Sri Lanka. According to the ‘Poverty indicators -2011” in Sri Lanka, Estate sector poor is 11.4% and the Rural sector holds 9.4% and Urban poor is 5.3% reported in 2009/10. In order to reduction of rural poverty, the State sector and Non- Governmental Organizations have been adopted number of policies and strategies to reduce rural poverty in Sri Lanka. The role of the NGOs in the poverty reduction process is well recognized today. During the past few decades, NGOs have been playing a complementary and supplementary role in the shaping up deciding the direction of development in the countries. Especially, NGOs have tended to be more active in areas where governments have been less active or reluctant to be involved.

The objective of this study was to identify the role of NGOs sector and their involvement for poverty reduction process in rural Sri Lanka. Study was based on secondary data gathered from literature survey, which are directly related to the issues addressed in this study.

The study was revealed that, since independence all successive governments have considered poverty has important issue to which the State should respond. However, the Sri Lankan government faces a dilemma of pursuing growth that is equitable trying to promote economic growth without leaving the poor in the rural area behind. Apart from government policies, NGOs can help ease the situation too. At the community level, NGOs have been playing a significant role to reduce poverty in the country. They have engaged to develop physical and social infrastructure, including provision of basic services that targeting the poor. Finally, can be concluded that the role of NGOs have been caused to the livelihood enhancement of the poor people in rural community.

**Key Words: Poverty Reduction, NGOs Intervention, Community Development**

## **Introduction**

Like in other Asian countries, Sri Lanka also has a severe problem of poverty. After more than several decades of developments efforts, poverty still remains as a major problem in Sri Lanka. According to the Household Income and Expenditure Survey in 2009/2010, the Poverty Head Count Index has fallen to 8.9% from 15.2% in 2006/2007 (Central Bank of Sri Lanka, 2011). Although the level of income poverty has declined over the years, the level of consumption poverty remains at a high level. Therefore, poverty can be identified as a major economic problem in Sri Lanka.

According to the 'Poverty indicators -2011' the report of Department of Census and statistic, estate sector poor is 11.4% and the rural sector holds 9.4% and urban poor is 5.3% reported in 2009/10 (*Household Income and Expenditure Survey - 2009/10, Department of Census and Statistics - Sri Lanka*). When considering causes of rural poverty in Sri Lanka can be seen several factors contribute to the prevailing poverty levels in rural areas, of the main income earners in poor households were in the agricultural sector. A large majority of poor farmers were those with holdings of less than one acre, although in areas with adequate rainfall and opportunities to grow and market high value crops such as vegetables and fruits even a holding of 0.25 acre can generate enough income for a household to be out of poverty. Thus, apart from land scarcity, the productivity of land under its present pattern of use was a major contributory factor to the poverty of farm households. The lack of adequate housing and civic amenities such as water and sanitation were more general features of rural poverty (Quibria, 1993: 64). Therefore, it can be identified that poverty in Sri Lanka is predominantly a rural phenomenon.

## **Poverty Reduction programmes in Sri Lanka**

Sri Lanka has a long history of social programme and food subsidy programmes by targeting poor people. These poverty alleviation programmes have launched as early in 1930s. Several consumption and the production oriented measures have been taken at different times. Some of these measures are food subsidy scheme in 1942, milk feeding scheme for free school children in 1944, mid day meal for school children in 1940, food stamp scheme in 1979, settlement scheme from 1930, land tenure reforms in 1953, fertilizer subsidy, credit for paddy cultivation, etc. This poverty alleviation programmes have implemented under the three major welfare reports, namely the Education Act of 1945 (Kannangara Report 1943); the

establishment of the department of social services, 1948 (Jennings Report 1943); and the health Act of 1953 (Cumpston Report 1950). The implementation of these reports in public policy terms established firmly the principle of collective provision for common human and social needs through state intervention (Jayasooriya, 1996; 3-6).

The state has been adopted number of Policies and strategies to reduce regional disparities especially reduce rural poverty. Successive governments have sought to reduce poverty through providing free Education and health services, targeted grants, employment creation, land redistribution and development and, since the late 1970s, through economic growth. From the 1940s to the 1970s the emphasis was on state planned and managed approaches with a commitment to universal provision of basic needs and services. The ideas of welfare, poor nutrition, small farmer's productivity, landlessness and equity informed programme design rather than a clear conceptualization of poverty). Though these different strategies have adopted they have had little visible success. Therefore, the government decided to design a better poverty alleviation programme at the national level in order to reduce poverty as much as possible. Janasaviya and Samurdhi programmes are those national level poverty alleviation programmes that have implemented under two different government regimes in Sri Lanka.

The new regime, in 1995, initiated a new poverty alleviation programme with similar principles to the former, **Samurdhi**. Various poverty reduction programmes were continued under the Department of Commissioner General of Samurdhi during 2011. Some of the major programmes were the Samurdhi subsidy programme, the nutrition allowance programme and the Samurdhi social security programme. A total number of 1.5 million families benefitted from the samurdhi subsidy programme in 2011. The total expenditure amounted to Rs. 9,043 million this period (Central Bank of Sri Lanka, 2011).

The Samurdhi Authority of Sri Lanka has introduced various income generations programmes, community development programmes as well as capacity building programmes during 2011 to enable the Samurdhi beneficiaries to come out of poverty. The Samurdhi social security programme was continued with a view to preventing poor families from falling in to the lowest depths of poverty due to unforeseen events such as, deaths, hospitalisation, and childbirth. These disbursements amounted to Rs. 233.7 million during the year (Central Bank of Sri Lanka, 2011). The "Divi Naguma" Livelihood Development programme to set up one million household economic units as a holistic community uplifting

programme launched by the Ministry of Economic Development will also help to reduce poverty in rural areas. This programme promotes community participation in the development process incentivizing people to work on the development of various means of livelihood. When compared to cash grants, programmes like Divi Naguma would be more effective in addressing poverty as they serve as safety ropes than safety nets.

As described in the above part of state intervention for poverty alleviation in Sri Lanka, numbers of poverty reduction programme and strategy have been implemented by every government. However, identified that development in the rural areas is crucial for poverty alleviation, the government cannot possibly channel unlimited funds into development plans without constraints, disregarding potential developments in urban areas or more importantly, not considering the state of its overall economy. Therefore, the Sri Lankan government faces a dilemma of pursuing growth that is equitable; trying to promote economic growth without leaving the poor in the rural area behind. Apart from government policies, Non-Governmental Organizations (NGOs) can help ease the situation too.

### **Poverty reduction and NGOs Intervention**

The role of the NGO in the development process is well recognized today. During the past two decades, NGO have been playing a complementary and supplementary role in the shaping up and deciding the direction of development in the country. The Government and general public are aware of the mammoth task performed by NGO in the country over the years.

Under the community level strategies NGOs have to play major role for poverty alleviation process in Sri Lanka. Such NGO's obtain funding from local and foreign donors and use these to provide services to poor people. The role of the NGO in the development process is well recognized today. There are 1029 NGO registered in the country and all the NGO which participate in the development attempts and relief activities of country.

Table 04: Number of Registered NGOs – Subject wise-2011

| Subject Area                          | No of NGOs    |            | Total       |
|---------------------------------------|---------------|------------|-------------|
|                                       | International | Local      |             |
| Poverty Alleviation                   | 35            | 222        | 257         |
| Environment                           | 07            | 65         | 72          |
| Entrepreneur Development and Training | 28            | 17         | 45          |
| Training and Education                | 33            | 140        | 173         |
| Health and Sanitation                 | 22            | 47         | 69          |
| Rehabilitation and Re construction    | 26            | 28         | 54          |
| Re Productive Health                  | 02            | 08         | 10          |
| Human Rights                          | 01            | 28         | 29          |
| Disaster Management                   | 01            | 02         | 03          |
| Rural Development                     | 04            | 46         | 50          |
| Protection and Child rights           | 24            | 55         | 79          |
| Women and Development                 | 02            | 28         | 30          |
| Gender Equity                         | 00            | 01         | 01          |
| Relief Work                           | 25            | 31         | 56          |
| Credit and mobilization               | 00            | 12         | 12          |
| Any other                             | 21            | 68         | 89          |
| <b>Number of total NGO</b>            | <b>231</b>    | <b>798</b> | <b>1029</b> |

Source: **Directory of Voluntary Social Services Organizations-2011**

The types of service provided vary from the social mobilization of communities for empowerment and communal projects, sanitation and water supply through to micro-credit provision. The concept of “small group” formation for various activities has become quite common with most NGOs as well as the state. NGOs indicate the enormous variety of activities undertake and show that they work all over the country. In the North and East, for obvious reasons, humanitarian work is a key activity. More widely agricultural development, small enterprise development, health and nutrition, environmental protection and micro-credit are common activities. “Sarvodaya” is a one of the reputed organization in Sri Lanka; it has implemented number of programmes to empower the society. Sarvodaya’s Economic



empowerment programme is implemented by SEEDS (Sarvodaya Economic Enterprise Development Services), which was established in 1986, “to eradicate poverty by promoting economic empowerment for a sustainable livelihood”. A SEED offers financial, business development and capacity building services for poverty reduction through three autonomous yet integrated divisions, namely, the Banking, Enterprises Services and Training Divisions. When considering the Banking Division saving amount is year 2010 Rs. 2.6 billion and loan disbursements amount is Rs. 1.88 billion (Sarvodaya Annual Report: 2010). While some NGOs target ‘the poor’ others provide services more generally across the population. However, NGOs have been playing a significant role to the achievement of poverty reduction goals.

### **Poverty Reduction programmes and community development**

Above this poverty alleviation process Public and NGOs have been identified Women Empowerment is the major strategy for the poverty alleviation. World Bank has identified *empowerment as one of the key constituent elements of poverty reduction and as a primary development assistance goal* (Kranti Rana, 1994; 01).

In Sri Lanka, like in other Asian countries, women comprise disproportionately a larger percentage of poor. This is primarily due to gender based problems that cause women to be more deprived than men. Many women have to face unequal sharing of food, inadequate or lack of work, unequal wages, loss of employment, and persistent verbal and physical violence. Further, mainly in the rural sector women have limited access to resources such as credit, land, inheritance, education and lack of supportive services and hence their participation in decision making is limited. Because of these gender based discriminations women are poorer than men. This phenomenon is commonly known as the “feminization of poverty” and has now become a universal phenomenon. Women to be empowered she needs access to material, human, and social resources necessary to make strategic choice in her life. Therefore, to achieve equity there is a need to focus on women and consider them as a specific target group in poverty reduction programme. At the level of development bodies, the concept of empowerment was adopted after the Beijing Conference (1995) The Beijing Declaration (section 13), presents women’s empowerment as a key strategy for development. In addition, to enhance the development of all over the world, the UNO announced the millennium development goals, 1<sup>st</sup> place is aimed to Eradicate Extreme Poverty and Hunger by 2015, and 3<sup>rd</sup> place is taken to promote gender equality and empower women (Gunatilaka,

Wan, and Chatterjee, 2009; 07). So reduction of poverty and empower women is very important as it appears in the millennium development goals.

## **Research Objective**

According to above background, can be identified public and NGOs sectors have been playing vital role for poverty reduction in Sri Lanka. The objective of this study was to identify the role of NGOs sector and their involvement for poverty reduction process in rural Sri Lanka

## **Research Problem**

By considering the above all facts, it is clear that poverty in rural sector is predominant than other sectors. Furthermore, existing social status of women in rural sector is a key element for preventing poverty incident. In addition, can be identified that women empowerment is a vital strategy for poverty reduction and different types of programme implemented by state and NGO sectors in Sri Lanka for past three decades.

By tracing this strategy is poverty reduction, it is important to examine how these women empowerment programmes implemented in rural sector have contributed for uplift the livelihood of poor families. Thus, the research problem of the study was formulated as follows; **role of NGOs are successfulness for Poverty reduction in Sri Lanka?**

## **Research Methodology**

Methodology applied in the present study is literary survey. It was completely secondary data based. Basically, secondary level data were collected from Grama Niladari Records, Divisional Secretariat Divisions records, annual reports, progress reports of the NGOs and several ministries related to the poverty alleviation and women's affairs, and Bank Reports... etc. In addition relevant books and websites were referred to regarding the study. As well as secondary data were gathered from the recent studies relating to the poverty reduction and women empowerment. Number of studies can be identified relating to the poverty reduction and women empowerment, these studies supported to the ascertain relationship between poverty reduction and women empowerment.

## **Findings and Discussion**

Women empowerment utilized as a strategy in poverty reduction, micro credit has become a central component of many donor agencies and national government's gender, poverty

reduction programmes and community development strategies. It seems that micro finance programmes have a potentially significant contribution to women's empowerment.

Specially, micro credit has supported to break the vicious cycle of poverty. Thus, provision of credit enables to break the vicious cycle of poverty through enhancing investment capabilities that finally enhance the household income. In the past, poor women had very minimum access to credit. But now, many poorest women have access to financial services through specialized micro finance institutions, banks, non-governmental organizations and other non-bank financial institutions. Most of these women have access to credit to invest in businesses that they own and operate themselves and they have shown excellent repayment records. Therefore, micro credit programmes have the potential to transform power relations and empower, both poor men and women in different ways such as economic security and power relations through income generating opportunities and through group formation and management links. Therefore, programmatic components like credit, none formal education and group formation are enabled benefits of empowerment process.

Micro credit programmes have helped the poor to reduce their economic difficulties in many ways. Such loans have been particularly beneficial to poor women, allowing them to start a micro-enterprise and earn income, which is critical to the survival of women and their families. In order to reduction poverty among rural women and to contribute to women's economic and social empowerment are two main outcomes of women headed micro and small enterprises and it act as a main vehicle for economic growth. A reduction of women's vulnerability can sometimes also translate in to empowerment and greater financial security and she become more assertive in household and community.

## **Conclusion**

The study was conducted to how women empowerment process is utilized as a strategy in poverty alleviation programmes which are conducted by public and NGOs sectors in rural society of Sri Lanka. The study was revealed that the poverty reduction programmes play a major role in empowering women in Sri Lanka. Specially, the evidence suggests that access to credit for poor women has increased income in their families. Such programs mainly focused on the level of participation in household decision making, their level of access and control over family resources, their level of self-confidence, level of participation community-based organizations, and leadership development. Hence, women capacity in managing their household activities as well as other societal obligations has enhanced

through these programs. Finally, it can be concluded that access to credit from the programme gave many women the opportunity to improve their social status within their family, society and build self-confidence in participation community development activities. Therefore, women empowerment will help to reduce the poverty level at grass-roots level in rural Sri Lanka.

### **Recommendations**

Provision of financial resources through the poverty reduction programmes have been caused to empowering women. But, only about financial resources will not direct to women empowerment. As a result of, along with credit other supporting services such as training, technical support and information should be given to poor and it will help to increase their capabilities use the best out of credit. Specially, these types of assistant services will support to realize the targeted objectives of the credit programmes.

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**Requirements of Sustainable Effectiveness for  
Pro-Poor Public Expenditure in Egypt  
in Light of International Experiences**

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## Abstract

**Objective of research:** Literature and empirical studies on the use of public expenditure to combat poverty have been mostly concerned with efficiency rather than effectiveness, although studies related to the latter have previously been undertaken. In trying to bridge the gap in the sustainable effectiveness of pro poor public expenditure policy, this study sheds some light on the determinants of sustainable effectiveness of pro poor public expenditure programs. These determinants may be grouped into five main clusters: presence of needs-based funding formulas for the regional allocation of resource; presence of needs-based funding formulas to allocate resources for first line service providers; well identified norms to measure service quality which are applied by government, elected local authorities and civil society; presence of integrated economics packages for combating all types and causes of poverty which are applied on a family basis; and optimization of the roles played by different layers of the government through a concrete set of incentives, checks and balances. The analysis sheds light on the effect of the absence of each of the determinants on the effectiveness and sustainability of effectiveness of pro poor public expenditure programs.

**Methodology of research:** By means of a survey of a random sample of 615 families in two Egyptian governorates (Kafr El-Sheikh and Suhag). Families were then classified according to the wealth index of Filmer & Pritchett. Families were asked about the access, usability and effectiveness of human development and pro- poor public expenditure components. Results showed that the poor and the poorest benefit the least from all available services, even the free public ones. Many obstacles related to the management of public services prevent the poor from benefiting. Findings of the questionnaire: analysis showed as well that Egypt's poverty eradication strategy lacked most of the building blocks to provide poor families with a sustainable path out of poverty. The most significant missing blocks were mainly institutional. The main findings of the questionnaire are: 1- Infrastructure related components: a. the poor and the poorest wealth quintiles do benefit from sewage system infrastructure. The main obstacles are related to maintenance of the sewage network. b. Denying the provision of local roads and lack of organization in planning for road paving are the main reasons for the lack of effectiveness of the road network infrastructure. 2- Human development related to components: a. Informal payments are the main obstacle facing the poor to undertake their education or enroll children. b. Quality is the main factor behind the lack of effectiveness of public health infrastructure investment, making available services an ineffective tool for poverty eradication. 3- Regarding economic interventions: a. Leakage to the well-off wealth quintiles is quite obvious even when analyzing data related to social pensions that depend on proxy-based targeting. b. Interventions do not match the needs of the poor and the poorest wealth quintiles. 4- The main sources of risks that lead to deterioration into poverty and poverty traps are health problems and unemployment. The study shows that agriculture sector-related risks are not the most problematic from the poor and the poorest families' point of view.

**Key words:** public expenditure - Pro Poor - sustainability - effectiveness - combating poverty - poverty trap.

## **Introduction**

Public spending on different social security nets in favour of the poor rests on two basic objectives: efficiency and effectiveness. Efficiency can be achieved when the poor benefit from public spending more than the non-poor. This means that public spending produces external benefits or corrects for a market failure. Effectiveness can be achieved when public spending leads to a greater increase in the rate of income for the poorer than that of the real increase in per capita national income. This leads to an exit from the poverty cycle with sustainable improvements, which means it is harder for individuals or families to return to the poverty cycle. As a result a government may achieve sustainable effectiveness in pro poor public expenditure.

To what extent has public spending in Egypt been effective in reaching the poor and achieving sustainable effectiveness? To answer this question this article reviews the different literature and empirical studies on combating poverty using public expenditure to shed light on the determinants of sustainable effectiveness of pro poor public expenditure programs (and which of these determinants are available in any Egyptian strategy) and what must be done to close the gap to achieve sustainable effectiveness for pro poor public expenditure in Egypt.

Egyptian pro poor public spending strategy shows that different kinds of government spending not only inadequately target the poor but also indeed favour those who are better off or wealthy. Improving targeting to the poor requires not simply readjustment of the public spending but must also address the underlying structures to prevent the better off from accessing the different kinds of government spending directed to the poor. The article examines these issues by reviewing the evidence on the benefit incidence of government spending on different levels in Egypt in light of the different sustainable effectiveness found in the pro poor public spending literature.

Public spending is used to achieve both economic growth and equity goals, and to decrease poverty. Public spending consists of two elements: long-term investment in research and development, infrastructure, health, and education; short-term social spending on items such as direct food subsidies and social security to support individuals and families.

Economic growth outcome for poor families depends on the overall rate of growth and changes in inequality, so that public expenditure policy (PEP) should aim to find the most pro poor combinations of these two components. The optimal combination of PEP will be needed to achieve dynamic redistribution, which means the incomes of the poor families would rise faster than the overall rate of the population as a whole.

To know the effect of public spending on pro poor in a particular country over a given period of time requires two items. Firstly, a determination of the poverty line, for example international one dollar day line or a national poverty line. Secondly, the distribution of income adjusted for inflation at the beginning and end of the period, since higher inequality slows growth (DFID, 2004).

The study will be divided into two sections. Section one deals with pro poor public expenditures in Literature and Empirical studies, while section two considers pro poor public expenditure in Egypt, in addition to an introduction and conclusion.

### **Section one: pro poor public expenditures in Literature and Empirical studies.**

**This section will be divided into three parts as follows:**



- 1. Pro poor public expending concept.**
- 2. Basic needs approach to manage public spending in favour of pro poor.**
- 3. Asset-based approach and Right-based approach.**

### **1. Pro-poor public expending concept**

Pro-poor public expending aims to maximize benefits for the poor and achieve the goals of combating poverty in aggregate and over time. So PEP involves decision making at different levels to consider aggregate spending and financing, spending between sectors and at local government and spending within sectors.

#### **1.1. Evolution from the determination of public spending priorities to the analysis of the determinants that benefit the poor from public spending.**

There are two approaches that deal with the concept of pro-poor public spending:

**1.1.1.** The first approach defines public spending for pro poor, as it benefits the poor through directed spending for a certain items more commonly used by the poor rather than the better off. The orientation of public spending to combat poverty measured through the share of sectoral expenditure may be directed to supporting programs, rural developments and the provision of basic needs in poorer areas. This increase in the share of investment as a component in the sectoral spending leads to an increase in the availability of basic services in areas dominated by the poor (Tanzi & Chu, 1998). This definition has resulted in the adoption of a Fast Track Initiative, announced by the international donor institutions in 2002, which aimed to ensure that sectoral policies agree with the objectives of combating poverty (Mckinnon & Rienikka, 2005).

Empirical studies which evaluated the Fast Track Initiative have shown that changing public spending priorities to concentrate only on the sectors which provide the basic services does not in itself guarantee the success of this spending in achieving the goal of combating poverty. Consequently, there is an urgent need for a multi-set of reforms that ensure the sustainability and effectiveness of public spending through the Fast Track Initiative (Jha et al, 2004).

The main criticism of this approach is that it did not measure the effectiveness of directing the allocated spending towards improving the situation of the poor, which depends on the benefit incidence analysis measures. The latter are based on measuring the average benefit return to the poor from allocated spending for each program for combating poverty in comparison with the non-poorer, or by comparing the percentage of beneficiaries from different programs across different wealth categories, or through behavioural approaches that address the responsiveness of the poor for every marginal unit of public spending specified for the program.

The second approach depends on a performance-measuring concept, rather than the distribution of public spending as the only delimiter for pro poor public expenditure. So pro poor public spending may be defined as the spending which results in an improvement in the welfare (well-being) indicator of the lowest quintiles of wealth or income greater than the improvement of the welfare of the non-poor through a set of integrated policies. This means that the effectiveness of public spending to improve the situation of the poor (by ensuring that they benefit from public spending components or the distributive benefits from public spending across income categories) depends on the benefit incidence analysis (Ravallion & Chen, 2003; Sahn & Younger, 2008).

The main criticism of the benefit incidence analysis of public spending from some empirical studies is that analyzing benefits of the average public expenditure does not reflect the impact of marginal spending. This is due to the desire of decision-makers to expand the beneficiary base of public services to those who are not currently receiving the service rather than deepening the benefits to current beneficiaries. Therefore it is important to analyze marginal spending unit rather than the current distribution of public spending (Lipton & Ravallion, 1995; Larjouw & Ravallion, 1999).

## **1.2. From focus on efficiency to focus on effectiveness**

There are two generations of literature dealing with pro poor public expenditure management that show the evolution of the focus from efficiency to effectiveness as follows:

**1.2.1. The first generation:** deal with pro poor public spending management to ensure that public spending targets benefits to the poor rather than the better off. This is based on administration improvement through the development of targeting mechanisms for the different components of spending. The spending is described as pro-poor public expenditure when the lower quintile of wealth receives a higher benefit than the second higher quintile and so on, which means a need to direct the investments to areas of concentrated poor without an integrated plan to get the poor out of the poverty cycle in a sustainable manner.

**1.2.2. The second generation:** deal with pro-poor public spending management using an outcome based approach which means spending must be reflected in the improvement of the quality of life, so the administrative improvement must exceed the targeting public spending concept (Mkandawire, 2005; Fritzen & Barassard, 2006). Here there is a reliance on targeting accuracy indicators as criteria for the pro poor public spending effectiveness. These indicators allow measurement of the efficiency of the distribution of every unit of resources allocated for a certain program, which achieves the necessary condition for benefiting for the poor from public spending. The sufficiency condition requires allocating resources between different programs with a weight that depends on the effectiveness of expenditure in achieving its object. This required measuring the unit cost of the benefit supplied to the worthy but not regardless of its effectiveness in reducing poverty (Ravallion & Datt, 2002; Murgai & Ravallion, 2005).

A more recent idea to discuss pro-poor public spending is the shift from the concept of effectiveness to that of sustainable effectiveness, where there is no retreat of the welfare indicators of the poor so that they do not return to poverty again due to a shock or by poor quality services provided to them (Little, 2007; Krishna, 2007; Cage, 2009).

In light of the foregoing, the second approach is both the most accurate and comprehensive, and thus the pro-poor public spending definition for the purpose of this study is the spending which is drafted according to mechanisms that guarantee the benefits to the poor are greater than to the non-poor (efficiency condition). Consequently, achieving positive results represented by increasing the income of the poor by a rate greater than the real increase in average per capita national income to exit the poverty cycle (effectiveness condition) is a sustainable improvement. Individuals do not then fall back the cycle of poverty or needs once they are subjected to any shock or unfavourable conditions again (sustainability condition). Therefore, the concept goes beyond targeting the poor by resources, and doubling resources for combating poverty, to the concept of public expenditure management.

In 2004, the Wood House study represented a new beginning for the literature on the poverty producing process going beyond the idea of targeting poverty and knowing the determinants of poverty through rigid measurements, to study problems that cause the inability of the poor to benefit from public spending. Benefits burden researches find a lower share of beneficiaries of public spending, despite an increase in public spending directed to combat poverty and lack of improvement. The study showed that the presence of obstacles results in the most vulnerable entering the poverty cycle or their inability to get out of this cycle.

The obstacles according to this study are as follows: First, the problem of allocation of resources in favour of the poor, which means an imbalance in allocating resources for categories mandated to take advantage of spending, although the presence of targeting mechanisms ensure the arrival of public spending to those who deserve. This means the targeting system deprived some of those eligible to benefit from public spending. Second, problems of managing public spending in favour of pro poor, which again deprived those eligible to benefit from public spending in spite of the success of targeting, so that poverty programs failed to achieve their objectives.

Based on the foregoing, this study takes an in-depth look at the evolution of the foundations of management and allocation of public spending in favour the pro poor through international experiences and shows the new aspect represented by the determinants of sustainable effectiveness of pro-poor public spending in the following two sections.

## **2. Basic needs approach to manage public spending in favour of pro-poor.**

This approach depends on producing a plan for combating poverty through reviewing census data about basic needs that should be met for a certain geographical area, and to identify sectoral resources to meet these basic needs through a Fast Track Initiative. The main criticisms of this approach are the following:

A- Concentration on chronic poverty rather than interim poverty. Chronic poverty is related to long period poverty, and results from chronic obstacles faced by the family that deprive them of access to the minimum standard of living, while interim poverty reflects a short term lowering of the minimum standard of living for the family as a result of a shock.

B- Assumption of a direct relationship between poverty and the needs for quality of life according to this approach. However, applied studies show the absence of this direct correlation, and also significant differences between families identified for targeting according to a basic needs approach and those identified according to wealth poverty ([Fan & Hazell, 2001](#))

C- This approach overlooked the reasons for getting into and out of the poverty cycle and focused on the needs for quality of life and development concept rather than on combating poverty.

D- Basic needs definition was to a limited set of variables, and therefore does not address the major reason for the ineffectiveness of intervention for combating poverty, due to its reliance on a top down approach.

E- The need for the availability of a set of determinants to ensure benefit from the resources provided through the Fast Track Initiative, including the power to convert the increase in the resources in a sector to an output related to welfare indicators of the poor (the absorptive capacity of delivering outcome), which is determined by, for example, the provision of qualified doctors and teachers in local area. In this case, re-prioritising public spending to combat poverty may not be

useful in itself, but the direction of resources to complementary sectors may be more effective in combating poverty if that spending would utilize an otherwise idle investment (Adam & Bevan, 2004).

The application of the basic needs approach in international experiences depends on two bases as follows:

First base: the protection of the resources allocated for pro poor spending through a Poverty Eradication Fund.

Second base: providing basic needs intensively by directing pro poor public spending according to the geographical targeting of poor living areas.

**2.1. First base:** the protection of the resources allocated for pro-poor spending through poverty eradication fund.

As a result of immature experiences of full reform for mechanisms of public spending for pro poor in developing countries, which signed up to strategies for combating poverty, there are three major problems in the application are as following:

A-The difficulty of determining the cost needed to achieve the goal, due to the lack of a basis to allocate public spending and determine priorities to combat poverty at sectoral level or within each sector.

B-Preparation of state budgets does not show the priorities of public spending according to the outcome (effectiveness of indicators).

C-The lack of mechanisms to allow tracking of resources to make sure it reaches the beneficiary as required. This process makes use of expenditure tracking surveys, (Castro-Leal et al, 1999).

In light of the above, a group of countries began to create Virtual Poverty Eradication Funds, where all resources for these purposes are gathered from the state budget, aid and grants, and managed centrally to facilitate the tracking of public spending. This forms an intermediary stage for comprehensive reform for the foundation of directing public spending. A success of these funds has been in producing integrated strategies to combat poverty by providing basic services to the poor and further identifying the sectorial allocation. However, the existence of these funds has considerable side effects on state budgets:

A- These funds focus on providing primary health care and primary education for the poorest without an integrated study of the needs of roads, sanitation and provision of economic opportunities for the poor. At the same time, the mechanisms of these funds lacked the conditions required to achieve sustainability in combating poverty, due to division of public spending management into mainstream and off-mainstream budgets (Williamson & Canagarajah, 2003).

B- Virtual poverty eradication fund financing is separate from the state budget completely and rely more on grants, aid and donor institutions, which vary with the governance requirements for public spending management. The latter requires a role of parliaments and parliamentary local councils in setting priorities and evaluation (Barder, 2009).

As a result of the failure of these funds to combat poverty, a corrective step needs to be followed to apply a sector-wide approach, which is defined as the identification of programs based on the achievement of combating poverty in each sector and to include this goal in the sectoral policy, and in the context of the main direction of the state budget and government plan (Brown et al, 2001; UNFPA and HLSP, 2005).

This trend was followed by a series of steps, including modification of the pattern of public spending management as a whole, to ensure that the poor obtain benefit from public spending as follows:

A- Transforming from a by-item budget to a performance budget.

B- Ensuring the sustainability of funding for implementation of the program to achieve the objective of pro poor public expenditure at the sectoral level. This guarantees no fluctuation in public spending to implement the plan, and reduces dependence on the annual negotiation to get the appropriation needed to implement the plan.

C- Integrating the roles of various ministries and agencies in the implementation, and clarifying the functions of each of them to avoid repetition and competition for resources.

D- Removing the separation between those identifying the needs and current investment appropriations in the state budget.

However this approach was criticized as constraining the move towards decentralization, because of the discrepancy between public spending management in order to achieve the objectives of combating poverty at sectorial level, and public spending management at local institutions which analyze local needs (Crook & Sverrisson, 2001; Williamson & Canagarajah, 2003).

**2.2. Second base:** providing basic needs intensively by directing pro poor public spending according to geographical targeting for poor living areas.

Empirical studies based on measuring benefit incidence showed that the benefits to the poorest, from social expenditure and transfer to combat poverty, are less than those to the better off, due to problems in the distribution of public spending arising from inefficiency in mechanisms targeting the poor. These studies highlighted the importance of conversion from totalitarian to targeting the poor to ensure the efficiency of public spending, and thus become the basic route to delivering public services from the concept of rights to the concepts of comparative worthiness and priority (Jarvis & Micklewright, 2001).

Studies related to targeting mechanisms began with Akerl of in 1978. However, there was consensus of economic writers on the difficulty and the high cost of targeting at the individual level, so the solution applied was that of Indicative Targeting Methods, by which a set of alternative indicators could be formulated according to the community classified and conversion of these indicators to conditional aid thereby connecting individuals with a demographical group or geographical community to get the aid.

Support for the geographical targeting process provides many economic studies with proof of the existence of the poverty trap phenomenon. This phenomenon concerns the unavailability of basics services in some geographical areas, or quality deterioration, which limits the accumulation of

human capital in these areas or regions. Thus a new dimension is added to indicators of identifying the poor, namely the region where the family lives ([Bigman & Fofack 2000](#)).

Poverty maps were used, in the rationalization of available resources to target the poor, when applying a combating strategy based on basic needs, through the identification of priority areas in social spending. The poverty maps are formatted in one of two methods:

**The first method:** (World Bank method), depends on a regression equation between poor families' income in different geographic region, as a dependent variable, and family data to identify the regions in which the largest number of the poor are concentrated, and gives weightings in the composite index based on the result of the regression equation.

**The second method** (United Nations Development Program, UNDP), is based on the formation of a composite index for each local area depending on a range of inputs reflecting the different dimensions of poverty according to the degree of deprivation of basic needs. The value of this indicator is then calculated in the local region which relies on the proportion of families having access to services at the village level.

The advantages of relying on geographical targeting for the poor relative to indicative targeting are the following:

A- The clarity of criteria for choice and information.

B- Ease of control, management and follow up.

C- Ease of using local nongovernmental organizations in combating poverty.

D- Ease of locating and analysing the impact of intervention.

E- The effectiveness of geographical targeting is improved by increasing the homogeneity of the targeted group, and empirical studies have confirmed that geographical targeting is to be preferred when applied to the lowest level of local regions ([Ravallion & Wodon, 1997](#); [Baker & Grosch, 1994](#)).

F- Geographical targeting is the only mechanism that enables the decision maker to integrate and intervene heavily in poverty combating programs, so geographical targeting solves the difficulty of coordination between sectoral programs at the state level problems ([Abuzar et al, 2006](#)).

However, several critiques of geographic targeting in particular, and indicative targeting in general, have appeared in the literature since the second half of the first decade of the current millennium, and can be explained as follows:

A- There are multiple dimensions of welfare and there is no inevitable correlation between them, so local areas described as poor according to one indicator of measuring the poverty may be not so represented another ([Baker & Grosch, 1994](#); [Haan, 2002](#)).

B- Poverty maps depend on the census, which is done every ten years in most developing countries, so these lose a dynamic understanding of the reasons for entry and exit from poverty cycle ([Benson et al, 2007](#)).

C- Deprivation types differed between geographic areas, so there are different mechanisms for combating poverty. For deprivation concentrated in a certain geographical area by all its dimensions, reliance on geographic targeting is the most effective mechanism for integrated intervention to combat poverty. However, deprivation in various dimensions and levels between



different geographic areas requires comprehensive study of the needs of each area (Baud et al, 2008).

D- There is no equal distribution of income within areas classified as the poorest, or in smaller local levels and with a population of no more than 5000 families. Empirical studies showed the Gini coefficient for these areas rise more than the average for the state. Thus there is an absence of governance mechanisms and supplementary interventions to insure benefiting the poor from additional resources, which are injected extensively into the targeted areas. The program may result in benefit to the better off rather than the poorest and of deprivation of the poorest from interventions due to the presence of the better off in the targeted areas (Elbers et al, 2004).

E- The inadequacy of using geographic targeting fully and exclusively to achieve effectiveness in combating poverty is due to the following:

- Some studies confirm that economic theory is unable to provide a decisive result on whether giving more resources to the poorest districts improves or hinders targeting poverty in itself (Ravallion, 1997). Other studies have found that the richest districts in Argentina had a motivation and a great capacity for targeting poverty than the poorest districts. This shows that a priority of targeting the poor in rich districts rather than the poor in the poorest districts is more effective, and also demonstrates that the structure of society may significantly alter the foundations of indicative targeting literature (Bigman & Fofack, 2000; Dasguta & Kanbur, 2005).

- Empirical studies proved a positive effect on illiterate poor individuals belonging to educated families or districts. This means such individuals need a differing program for combating poverty from illiterate poor individuals belonging to fully illiterate families (Basu & Foster, 1998).

F- Risk availability resulting from a narrow view of the areas of combating poverty geographically and the concentration of resources to these areas, may also affect funding of the geographic targeting plan that depends on changing the public spending components geographically or sectorally in favour of targeting program. For example, Brazilian experience showed that expansion of conditional cash transfers in favour of the poorest, according to a geographical targeting plan, leads to a decrease in the school running expenses in the state as a whole. This, in turn, has led to a decline in the indicators of success for educational processes in the whole state, despite the high enrollment rates among the poorest categories in the targeted areas.

G- Unsustainable impact of the Fast Track Initiative and geographic targeting to combat poverty in light of the continued lack of inclusion in the state budget and development plan. An example is the Philippines experience to combat poverty through geographic targeting intervention under the name of comprehensive integrated delivery of social services (CIDSS) during the period 1991-1998. As a result of this strategy, the population proportion below the poverty line in villages fell by 8%-10% during six years, but the effect was not sustained as the combating poverty indexes declined after eliminating these areas from the agenda of priorities, with increasing poverty in the provinces non-targeted during the implementation period of the program (Baliscan, 2007).

### **3. Asset-based approach and Right-based approach.**

The international experiences showed not only a lack of success for traditional strategies in managing public spending in favour of the pro-poor but also ineffectiveness at a national level. At this point the literature began to address the foundations that must found to achieve sustainable

effectiveness in pro-poor public spending management, which has become the axis of second generation strategies of combating poverty for the World Bank, United Nations Development Program (UNDP), and British Department for International Development (DFID). There are two approaches for dealing with the determinants of sustainable effectiveness for pro poor public spending as follows:

### **3.1. The first approach: Asset-based approach**

Vital assets are defined as a concept that includes capabilities, physical and social assets and activities required to provide a livelihood. The assets are described as sustainable assets if characterized by the ability to persist and provide benefits after shocks (Chambers & Conway, 1992). Another study defined a sustainable vital asset as the ability of the family and community to accumulate assets and increase capital continuously over time (Krantz, 2001).

The Sustainable Asset-based approach is based on two schools for combating poverty strategies as follows:

#### **3.1.1. United Nation Development Program**

This program is working to increase the benefits to the poor from available assets and the sustainability of these benefits. The first step for the implementation of this program is to find out the reasons why the poor fail to benefit from their assets; the second step is to achieve sustainability in combating poverty through three basic axes.

- A- The ability to cope with risks without an inefficient use of their assets.
- B- Warrant the effectiveness of applied policies through control and follow up mechanisms.
- C- Fairness in access to services.

#### **3.1.2. British Department for International Development**

This program formulated a sustainable exit from the poverty cycle depending on two axes: first, to study the needs of the poor as a category of individual within the community and not the needs of the local community as a whole. Second, provision of the determinants of institutional sustainability includes the needs for combating poverty within the state master plan. This program aims to achieve three outputs for each poor family: improve their level of income by a rate more than the average rate of growth of national income, improve the health and educational welfare indicators, and reduce sources of vulnerability of income. The most important criticism of this program is in its application, because the authors of this program do not provide clear institutional factors to ensure sustainability. This was completed by the rights approach (Krantz, 2001).

### **3-2.The second approach: Rights-based approach**

This approach addresses the role of the state to ensure that the poor benefit from public spending for combating poverty through a range of rights guaranteed by the Universal Declaration of Human Rights. This approach depends on two principles, namely International declarations on human rights as the basis for combating poverty, and the formulation of strategy through equity, participation, empowerment and accountability mechanisms. It also relies on two axes:

- Social sustainability can be achieved through the minimization of social vulnerability (marginalization) and maximization of social capital.



- Institutional sustainability can be achieved by providing a clear relationship between the authorities to ensure continuation of the implementation of the requirements for combating poverty in an integrated framework within the state master plan (Campase et al, 2009).

The most important aspects of the agreement between the asset-based and rights-based approaches are centralization on people, empowerment of the poor and holistic approaches to include all possible opportunities to improve family conditions and all patterns of risks they face, and linking micro outcomes to macro related intervention to combat poverty (Foresti et al, 2007).

Analysis of the international experience shows that integration between the vital asset approach and the rights approach, locality application and management, with centralization of the foundations of justice, are the main requirements to achieve sustainable effectiveness for combating poverty according to the complementarity between the previous two approaches. With integration between the two approaches, the components and determinants of sustainable efficiency can be shown to be as follows:

- Indirect intervention to combat poverty through horizontal equity in access to services.
- Direct intervention to combat poverty through social protection systems.

### **3.2.1. Indirect intervention to combat poverty through horizontal equity in access to services**

The determinants of sustainable effectiveness include the following:

- Presence of needs-based funding formulas for the regional allocation of resources.
- Presence of needs-based funding formulas to allocate resources for first line service providers.
- The presence of specific criteria for service quality control.

#### **3.2.1.1. Presence of needs-based funding formulas for the regional allocation of resources**

There is no doubt that the existence of these functions is one of the most important determinants of the sustainable effectiveness of public spending in favour the poor, because it ensures the provision of basic needs for everyone in the community regardless of their geographic location.

The following deals with needs-based funding formulas for the regional allocation of resource in the international experience in general and in countries that provided strategies to combat poverty in particular.

##### **3.2.1.1.1. Composition of needs-based funding formulas in developed countries**

Many developed countries rely on the Barnett function in the formula for geographic funding based on needs to achieve the equivalent of per capita spending, which means reliance on the population number as a single criterion to determine the needs. International experience showed that the distribution of public spending according to this formula does not guarantee the proportionality with actual needs. This is because the cost of services delivery may decrease with an increase in population density due to economies of scale, which denies the existence of a direct relation between the population and the needs of the appropriations of public spending. It may also result in the allocation of public spending according to population only, hence directing spending towards unrequired items in a local area (Barder, 2009; Reeder & Bagi, 2010).

##### **3.2.1.1.2. Composition of needs-based funding formulas in countries adopting strategies to combat poverty**

These formulas rely on the number of poor as a parameter to guide public spending resources geographically. However, a criticism of this method is that the allocation of public spending does not depend on the poor concentration only. Also this method in itself creates a new deprivation of services in non-poor areas. In addition the poverty concept and welfare varies from one locality to another, and while services may be available in a place, there are other reasons to hinder the benefiting of the poor. In this case, pumping more of the sectorial spending into the poor areas does not necessarily mean supporting public spending in favour of the poor.

Because of this, the international experiences developed transparent standards for distributing public spending geographically. These international experiences divided into four schools:

**-The first: measuring the needs-revenue gap in decentralized countries.**

Here public spending is distributed according to the distribution of population in the area, and local governments get a grant equal to the gap between needs and revenues collected locally. Grants may be conditional according to sectorial distribution, as the case in India and Indonesia ([Shah, 2007](#); [Boadway, 2004](#)).

**-The second: needs-based formulas**

Here the equivalent grant is distributed according to welfare indicators, where estimating indicators for the needs of the region arise from sectorial public spending. As a result of giving equivalent grants, the geographical areas allow equal availability of the services, and South Africa is a model for the countries belongs to this school ([Shah, 2007](#)).

**The third: needs functions formulas for different service provision cost**

Here the indicators of the needs are estimated, and then the equivalent region's share of public spending depends on the cost of providing services in the local area.

**The fourth: funding with control performance**

Here equivalent grants consist of two components. The first is the conditional equivalent grant to sectorial expenses for achieving specific objectives linked to welfare indicators for the lower wealth category. The second component is the unconditional transfer, which is entirely routed to elected local councils subject to a number of conditions. Uganda applied this system, where the Ministry of Local Development monitors the performance of local councils according to several criteria: investment plan quality, employees' capabilities and their performance in financing the allocation of receivables and purchases ([Shotton, 2004](#)). Unconditional transfers are stopped in cases where performance criteria are not met ([Fan et al, 2004](#)).

**3.2.1.2. Presence of needs-based funding formulas to allocate resources for first line service providers**

By expenditure tracking methodology in a group of developing countries, empirical studies showed several reasons for the lack of appropriations for the operation of services providing units, especially units benefiting the poor. These reasons include:

a- problems arise in spending distribution among the various levels of government and within the local level. After the central government has directed the resources to the districts for distribution to

service providing units, the districts have monopolized the majority of resources. In Uganda, tracking of education spending showed 87% of appropriations for purchasing goods and services in districts for education was used in the form of allowances and moving expenses for employees and not directed to improve the quality of the educational process (Reinikka & Smith, 2004).

b- The direction of public spending for service providing units to the benefit of the better off within the same district, due to the latter's ability to negotiate and a lack of accountability from the beneficiaries. Empirical studies in a group of developing countries showed that every 10% increase in income categories representing the main customers for service providing units, increased the appropriations for operating service providing unit by 3% (Reinikka & Smith, 2004).

### **3.2.1.3. The presence of specific criteria for service quality control**

The accountability for the services provided to the poor requires three parties, namely the citizen, service provider, and policy maker. Poor relationships between the parties result in problems of service delivery to the recipients at the required quality, and this is due to three reasons:

- a- Political interference were in recruitment, operating policies, management system, and fees for provision of the service.
- b- The lack of competition between services providers.
- c- The lack of communication channels between service providers and beneficiaries (Ajwad & Wodon, 2001; Hilhorst & Van der Wal, 2007).

### **3.2.2. Direct intervention to combat poverty through social protection systems**

Determinants of sustainable effectiveness of these programs include the following:

- The integration of social protection components and the presence of transparent foundations to estimate the transferred value.
- The optimal distribution of roles between the various levels of government.

#### **3.2.2.1. The integration of social protection components and the presence of transparent foundations to estimate the transferred value.**

The social protection concept emerged during the nineties of the last century in contrast to the narrow concept of social safety nets, and with it the evolution of thinking about determinants of poverty and how to combat it in strategies including how to benefit from the assets-based approach. The view of the social protection concept divides into two trends.

#### **The first trend: social risks management approach**

According to this approach, social protection aims to reduce risks and limit their impact, allowing the poor to direct investments towards assets generating more yields (World Bank, 2000). The approach depends on formulating programs for intervention to cover three levels of risks to which the individuals and families are susceptible. These are:

- Level of risks reduction: intervention before the occurrence of the expected risks to increase the level of income and reduce its variability.
- Level of risks mitigation: intervention programs to reduce the collapse of income in the event of potential risks, including insurance.

- Level of dealing with risks: intervention after the occurrence of the risks, with the aim of reducing the impact of the shock that has already occurred. This intervention is based on support programs and lending programs.

The main criticisms for this approach in constructing a protection system are the following:

a- The approach definition of vulnerability is limited, where it links vulnerability characteristics with geographic or demographic categories or properties at a point in time in the life of the individual. Consequently (according to this definition) for example, the individual who suffers from disabilities is more vulnerable and affected by the risks than healthy individuals. But more recent studies dealing with the social protection concept tend to define vulnerability as a result of the socio-political framework existing and not as a result of exposure to an external variable represented in the risk itself. So the shift has been from building social protection as a system that is working to reduce the impacts of the risk on a particular group of individuals in a specific framework to building a system working to change a set of frameworks that lead to vulnerability of the poor (Anand et al, 2005).

b- The definition of this approach for a social protection system does not include clear policies to deal with chronic poverty, which is not linked to vulnerability, risks, and fluctuations of income (Barret and Swallow, 2003).

### **The second trend: transformation approach**

This approach was based on International Labor Organization (ILO) definitions for a social protection system as "a set of procedures which are based on providing families and individuals with privileges protecting them from a deterioration in the standard of living and its consequent physical and human capital, in addition to a range of programs aimed at improving the social situation and the system of rights for a vulnerable group".

The mechanism to formulate social protection components requires a range of programs to provide four bases for combating poverty:

- Social support to families and individuals in extreme poverty.
- Social services for groups that need special care or cannot access public services.
- Social insurance to protect individuals from risks and the consequences of shocks to the vital assets.
- Social justice to protect individuals from the social risks associated with discrimination or abuse of power.

One can visualize an integrated social protection program in four types of intervention: protective intervention, preventive measures, promotive measures, and transformative measures.

#### **1) Protective interventions**

These are represented in social safety net programs, which include non-covalent cash transfer to the poor in chronic poverty and who do not and will not be able to work again. It includes social security pensions and temporary pensions for families in interim poverty.

International experience has shown the value of social security pensions defined as a percentage of the minimum wage, as in the case of Brazil; or a certain amount provided for a period not exceeding five years with its minimum level one third of the average per capita GDP as in the case of Bolivia; or an amount to cover a certain percentage of the poverty gap in the targeted category as in the case

of South Africa. In all cases, the temporary pension is directed to poorest families for an interim period. International experiences have shown three ways to deal with the issue of freeing the poorest families from the need cycle:

- Laws impose rigid and clear standards to involuntary expulsion such as determining the maximum periods for receiving the pension if the family circumstances have not changed, as in the case of India and Philippines. This method forces the family to improve their income during a specific period, but it may deprive some families who have not been able to combat poverty.
- Reducing the value of the pension at rates determined by the law in proportion to the improved income of the beneficiary family, as in some of the programs in South Africa, but the criticism is that it may lead to deliberate poverty trap ([Besely & Coate, 1992](#)).
- The law does not determine the standards for involuntary expulsion and it is left to the assessment of the local administrator. If the families do not fulfil the requirements to get the pension, they will be ineligible, as in the case of Brazil.

## **2) Preventive measures**

These include social insurance programs for vulnerable categories such as health insurance programs, and temporary support programs. Without these programs the poor depend on their personal means, which include avoiding a higher risk option even if it is a higher yield, and selling saved assets in boom periods ([Dercon, 2003](#)). These temporary strategies to avoid risk do not have zero cost for the poor and most vulnerable, because it leads to less efficient asset management by preferring liquidity, and leads to a decline in the average permanent income. In 1993 Binswanger and Rosenzweig found the gap in asset management efficiency between the richest category and poorest category to be 25%, from a survey at the family level in 24 Indian provinces.

## **3) Promotive measures:**

The aim of this intervention is to improve real income and capabilities through micro-loan programs, school feeding, and conditional cash transfers. In a group of African countries conditional cash transfer programs did not receive the same success as in Latin America countries, due to the higher unemployment rates among adults in the former compared with the latter, which reduces the cost of labour and increases unemployment of the non-young in the majority of families. In addition, low quality of public services is the main reason for the leakage of children from school and that families are not provided with health care. So the lower administrative costs for conditional programs and directing them to improve service quality may be a more efficient alternative in some areas ([Fiszbein et al, 2009](#)).

## **4) Transformative measures**

These include determining the minimum wage level, workers' rights protection laws, and ensure governance in the distribution of benefits for transfers that have already occurred.

### **3.2.2.2. Optimal distribution for roles between the various layers of government**

After determining the components of the programs for combating poverty, the author will discuss the administrative and institutional aspects in the application of poverty strategy to social protection. This is mainly related to the relationship between central government and local

government. International experiences have shown two models for this intervention to combat poverty.

**a. Centralized model:** The central government provides transfers for every individual where his per capita income is below a poverty line according to specific criteria set by central government, and for all individuals who are equally in poverty conditions at the state level. The advantage of this model is its transparency in determining the targeting criteria for the deserved from the program. However it is criticized because it does not offer any motive for local government to participate in determining the deserved for transfers or to participate in direct intervention plans for combating poverty according to local information about poverty and its causes. It also has the fault of including the non-eligible for central accounts. (Rao, 2005)

**b. Decentralized model:** The centralized government gives local government non-detailed grants to spend on a range of dedicated programs to combat poverty, so that this model separates the funding task from identifying local needs. The advantage of this model is that targeting errors do not affect the allocated grant from the central to local government since it pre-defined, but the effect of targeting errors is limited to the problem of combating poverty in the local area.

This model has the advantage that the targeting errors do not affect the value of transferred grants allocated from the central government to local government, since it pre-defined, but the effect of targeting errors are limited to the actual confrontation to the problem of poverty in the local area. However it is criticized because it depends on rigid standards for distributing needs on local areas, which lead to the difficulty of access to accurate knowledge of the actual needs of the local area.

**In light of the international experiences, a framework for management has been reached to combat poverty system:**

1- The central government determines the legal framework for the targeting system including programs and criteria for selecting the eligible, and if targeting requires measurements of alternative livelihoods, the central government formulates measurement indicators and questionnaires and gives a weight for every indicator at the individual and family level (Ravallion & Wodon, 1997).

2- The elected local authority receives the targeting mechanisms and eligibility criteria from central government, and also collects data for the initial targeting process and choosing the eligible. These data are reviewed through all levels of government from lowest to highest through sample inspection. At this stage, one of two mechanisms for recording in the program is followed (Davis, 2003; Castaneda, 2005):

- **Survey method:** the social official makes a survey for the local area. The advantage of this method is accessibility for the vulnerable, who do not have information about their rights and how claiming it. But critics of this method cite the higher cost in the cases of low numbers of the eligible and their lack of concentration in specific areas. In addition, where there is maturity of some programs related to a specific budget, the survey may not continue in case the permitted number of eligible is breached; finally it is difficult to reply to the survey where the circumstances and requirements are changing periodically for families. However, this method is suitable when poverty exists in a homogeneous region, both in the level and the needs, and with a low level of education in the region and where the population is not aware of their rights. It is used to combat poverty in remote areas of Mexico, which requires accurate measurements of the beneficiaries.

- **Utilization method:** here the beneficiaries must apply for the use of the program, so the better off do not apply, and therefore a great transparency is achieved. Critics of this method point out that the poorest lack knowledge about their rights, and it requires a second phase of work to make sure that the eligible receive the services. This method is suitable in the case where there is no concentration of poverty in specific areas or is concentrated in areas surrounded by less poor areas, where there is a high level of education and awareness in the region, and where local officials undertake regular awareness campaigns. This method has been used for social security pensions in Mexico, India and Philippines.

3- The local government determines the priorities of the needs for combating poverty in the local area to instigate a range of programs that will depend on the different programs defined by law., They will use their experience to add or modify the criteria for determining the needy or eligible and to classify them to allow continuity of the program and with regard to the risks suffered by the local community.

4- Automatic registration on a database visible to all levels of governments regarding every program in the state as a whole.

5- The formation of a central committee and groups of nongovernmental institutions (civil society organizations) to control the distribution process of entitlements.

6- The presence of a party is responsible for the integrated development plan for the family at the local level ([Castaneda et al, 2005](#)).

## **Section two: pro poor Public expenditure in Egypt**

**This section is divided into two parts as follows:**

- Descriptive analysis of the management of each of the components in the strategy to combat poverty in Egypt.
- Conduction of a survey in Kafr El-Sheikh and Suhag governorates.

### **2.1. Descriptive analysis of the management of each of the components in the strategy to combat poverty in Egypt.**

This strategy consisted of three axes as follow:

- **The first axis:** Improving the spatial distribution pattern for intervention to combat poverty.
- **The second axis:** Reform of the social security system.
- **The third axis:** Working to ensure the entry of the poor into pre-university education and health services.

**2.1.1. The first axis:** Improving the spatial distribution pattern for intervention to combat poverty through intensive intervention in the poor-concentrated areas. This axis includes two components:

- The first component: Intensive intervention to combat poverty geographically.
- The second component: Rural development strategies.

**2.1.1.1. The first component: Intensive intervention to combat poverty geographically.** This component includes intervention to combat poverty in Upper Egypt according to the poverty map prepared in 2001 and the Human Development Index (HDI), and also geographic targeting program according to a new map for geographic targeting the poor prepared in 2008. The stages of work is divided into two phases as follows:



- The first phase: Municipal initiative for strategic recovery (MISR).
- The second phase: Targeting initiative for the thousand poorest villages.

#### 2.1.1.1.1. The first phase: Municipal initiative for strategic recovery.

The implementation of this program began after the Central Agency for Public Mobilization and Statistics (CAPMAS) and UNDP in 2001 classified the country centers according to HDI to determine the most deprived centers. The program has been targeting these locations through the following themes:

- Increasing the flow of investment used for combating poverty in Upper Egypt through the application of the MISR program in the poorest 58 centers.
- provide all technical guarantees for the success of small and medium enterprises to serve the poor in the targeted areas.
- The Social Fund for Development (SFD) supports limited local infrastructure projects in poorer villages.
- The SFD assesses the needs of the poorest areas regarding public works and loans and has a responsibility to build a database to follow up the impacts of its projects.

To implement the previous four themes, roles are assigned to agencies entrusted with the implementation of the strategy during the first period for targeting from 2002-7 as follows:

- Economic and Social Development Plan (ESDP).
- The role of the Social Fund for Development.

#### a - Economic and Social Development Plan.

The ESDP for (2002-2007) directed intensive investments to infrastructure and human development for Upper Egypt, and it may be evaluated according to criteria learned from international experience as follows:

**The first criterion:** the existence of foundations for the distribution of investments in accordance with needs.

| <b>Table (1) Comparing to the gaps in per capita investment target on the level of governorates for the highest center of the poorest in accordance with the level of poverty map for 2001(by 1000 £)</b> |                                                       |                                                    |                                                                                                                           |                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Governorates                                                                                                                                                                                              | The gap in per capita investment of human development | The gap in per capita investment of infrastructure | The increase in per capita investment of human development through the implementation of the development plan (2002-2007) | The increase in per capita investment infrastructure through the implementation of the development plan (2002-2007) |
| Qena                                                                                                                                                                                                      | 3.3                                                   | 1.64                                               | 0.4                                                                                                                       | 0.4                                                                                                                 |
| Assuit                                                                                                                                                                                                    | 3.3                                                   | 1.71                                               | 0.4                                                                                                                       | 0.1                                                                                                                 |
| Fayoum                                                                                                                                                                                                    | 3.3                                                   | 1.8                                                | 0.4                                                                                                                       | 0.1                                                                                                                 |
| Suhag                                                                                                                                                                                                     | 3.3                                                   | 1.7                                                | 0.5                                                                                                                       | 0.3                                                                                                                 |
| Minya                                                                                                                                                                                                     | 3.3                                                   | 1.7                                                | 0.4                                                                                                                       | 0.2                                                                                                                 |
| Beni Suef                                                                                                                                                                                                 | 3.3                                                   | 1.09                                               | 0                                                                                                                         | 0.6                                                                                                                 |
| El-Behara                                                                                                                                                                                                 | 3.3                                                   | 1.63                                               | 0.2                                                                                                                       | 0.3                                                                                                                 |
| El-Sarkeya                                                                                                                                                                                                | 3.34                                                  | 1.74                                               | 0.2                                                                                                                       | 0.08                                                                                                                |

Source: Ministry of State for Economic Development, the Regional Development Sector.



This table shows the following:

- A gap between per capita targeted investments in governorates with the poorest centers, and that in the governorates with a higher portion of investment. This gap represents a measure of the extent of inequality in the distribution of investments, during the (1997-2002) plan, which represents the geographical intervention to combat poverty with a spatial dimension.
- The gap is more than 3000 Egyptian pounds (£) for each individual in human development investments, and more than £1500 through the previous plan (1997-2002), with no increase in per capita investments during the (2002-2007) plan to reduce the gap in the spatial distribution of investments, in spite of the intended spatial intervention to combat poverty strategy.
- El-Behera, El-Minya, Assuit, Suhag and El-Sarkeya are governorates that got the smallest increase in per capita investment despite the existence of geographic targeting plan to get the largest share of the investments, although being some of the governorates in most need of facilities according to the 1996 census.

**The second criterion:** The existence of parliamentary control to ensure the effectiveness of interventions

In Egypt, the parliament has not provided a detailed picture of the projects that have already been implemented under the plan, nor the reasons for non-completion or transfer funding under the authority of transfers by the economic development minister (without requiring the approval of parliament). There is also a complete absence of the local councils from roles in the preparation of the state budget ([State budget law, article 31, 32](#)).

The investment plan is presented to parliament, including its overall structure and financing methods, including a detailed presentation of the projects involved and their spatial distribution according to the different governorates of the republic. During the implementation phase of the plan, the investment projects are divided into those that have been completed without modifications and those paused for financial needs. Negotiation begins for new project appropriations in the coming fiscal year after exhausting their current funds. In addition, projects whose implementation is slow can transfer their appropriations to other projects in the same sector in other local units for projects that are faster in their implementation, without approval of parliament at this stage, except in case additional appropriation is needed and the approval of the governor is not required by law. The plan implementation report supplied to parliament contains the overall structure of the plan its implementation according to central authorities but without spatial details given at the approval stage and without a detailed statement about any transfer that took place or location of planned projects. The result is the absence of parliamentary control on the spatial dimension of the implementation and the completion level of various projects and the reason for any obstruction.

In general, the results of the spatial strategy through the intensive intervention plan (2002-2007) are a decline in the proportion of families benefiting from sanitation in some of the relevant governorates (with the exception of El-Fayoum and El-Minya) and a significant deterioration of primary health care indicators compared to the rest of the governorates in the republic.. However, there is a general improvement in availability indicators of water. ([United Nations Development Program, Human Development Report for Egypt, 1998, 2002, 2010](#))

## **B - The role of the Social Fund for Development**

The SFD was established to perform a major role to complement the work of the economic development plan in poverty reduction through initiatives at the community level, increase employment opportunities, and the development of small business companies. The SFD depends on

geographic targeting as a first stage to determine the intervention in public projects areas and classified families in the targeted areas into two groups:

First group: active poor families, within the project, who take finance from the SFDas micro credit used in expanding activities that already exist. This coincides with micro credit and small business projects and training activity at the village level carried out by NGOs, which are the main partners in the selection and follow up of the eligible.

Second group: inactive poor families, including specifically those that are out of the labour force. The role of the SFD for these families is to facilitate the literacy program and to grant loans for healthcare.

SFD's ability to contribute effectively to combating poverty has been constrained due to the following:

- The limited scope of the benefits of SFD loans; the number of borrowers reached 175,000 in 2008/2009 representing only 4.5% of the poor families.

- Limits to the intervention and its concentration in certain poorest governorates, because of the relationship of the work of SFD and that of Development Associations, which does not exceed 2000 from 27,000 associations in the country. The number of Development Associations eligible to work in the field of grants and loans is only 1000, so many of the poorest governorates were deprived such as Assuit and El-Sarkaya. The SFD intervention in governorates is regulated by NGOs and Vocational Training Centers, with SFD activities concentrated mainly in Minya, Fayoum, Suhag and Qena.

- Intervention plans of ministries are not compatible with the complementary activity of the SFD in the villages.

- The failure of the SFD to provide risks insurance for sponsored small and medium enterprises, which threatens the sustainability of poverty exit where there is a dependency on small and micro loans in the targeted centers.

- The lack of clear and declared criteria for selecting the SFD for poor families. The choice is left for local NGOs without a formal mechanism for controlling the choice of the SFD for beneficiaries, where only the poverty plan determines SFD intervention without the presence of any other criterion for determining the beneficiaries within the intervention areas.

Poverty indicators have been compiled in Table (2) to derive the impact of previous interventions in the eight relevant governorates.

| Governorates   | Percentage of population under local poverty line |           |           | Percentage of population under local chronic poverty line |           |           | The share of population who received minimum of 40% of income in governorate |           |           |
|----------------|---------------------------------------------------|-----------|-----------|-----------------------------------------------------------|-----------|-----------|------------------------------------------------------------------------------|-----------|-----------|
|                | 1999/2000                                         | 2004/2005 | 2008/2009 | 1999/2000                                                 | 2004/2005 | 2008/2009 | 1999/2000                                                                    | 2004/2005 | 2008/2009 |
| Cairo          | 8.8                                               | 8         | 7.6       | 2.2                                                       | 2         | 1.7       | 18                                                                           | 18        | 18.8      |
| Alexandria     | 11                                                | 9         | 6.4       | 2.4                                                       | 2         | 1.2       | 21                                                                           | 21.2      | 22.6      |
| portsaid       | 2.6                                               | 3         | 4.4       | 0.2                                                       | 0.5       | 1.7       | 20.5                                                                         | 20        | 20.1      |
| Suez           | 4.2                                               | 3.4       | 1.9       | 0.4                                                       | 0.3       | 0.3       | 22                                                                           | 23        | 23.6      |
| Damietta       | 0.9                                               | 1.1       | 1.1       | 0                                                         | 0.1       | 0.2       | 30                                                                           | 29        | 28        |
| Dakahlia       | 17.7                                              | 12        | 9.3       | 3.1                                                       | 2         | 1         | 27                                                                           | 27        | 27        |
| Kafr El-Sheikh | 6.7                                               | 10        | 11.2      | 0.9                                                       | 1.8       | 2         | 26.8                                                                         | 27        | 27        |
| El-Gharbah     | 9.7                                               | 8         | 7.6       | 2                                                         | 1         | 0.8       | 25.4                                                                         | 25        | 26        |
| El- Menoufia   | 21.7                                              | 22        | 17.2      | 3.7                                                       | 3         | 3.1       | 26                                                                           | 26        | 26.5      |
| El-Ismailia    | 7.9                                               | 12        | 18.8      | 1                                                         | 2         | 4         | 26                                                                           | 24.8      | 25        |
| El-Qllipih     | 12                                                | 15        | 11.2      | 2.9                                                       | 3         | 1.8       | 25                                                                           | 25        | 26        |
| El-Giza        | 19.5                                              | 20        | 23        | 4.4                                                       | 6         | 7.6       | 21                                                                           | 22        | 20.2      |
| Aswan          | 24.5                                              | 20        | 18.4      | 6.9                                                       | 11        | 14.3      | 23                                                                           | 23        | 24        |
| El-Fayoum      | 35.2                                              | 19        | 29        | 10.9                                                      | 4         | 5.6       | 26.7                                                                         | 25        | 27.2      |
| Beni Suef      | 51.2                                              | 48        | 42        | 20.2                                                      | 12        | 11.5      | 25.2                                                                         | 26        | 27        |
| El-Minya       | 24.4                                              | 28        | 31        | 5.8                                                       | 6         | 7         | 25.7                                                                         | 25        | 25        |
| Suhag          | 45.5                                              | 47        | 48        | 17.2                                                      | 18        | 18.5      | 26.5                                                                         | 27        | 25.5      |
| Qena           | 34                                                | 35        | 39        | 12.9                                                      | 12        | 11.5      | 26.2                                                                         | 26        | 25        |
| Assiut         | 58                                                | 60        | 61        | 25                                                        | 29        | 31.8      | 25.8                                                                         | 26        | 23        |
| El-Sarkaya     | 16                                                | 18        | 19.5      | 2.6                                                       | 2         | 2.2       | 28                                                                           | 27        | 28        |
| El-Behara      | 10                                                | 16        | 24        | 1.5                                                       | 3         | 3         | 27.4                                                                         | 28        | 28        |

Source: Income, Expenditure and Consumption research, different years

This table shows the following:

- The poverty level continued rise in 2008 / 2009 in six of the eight targeted governorates. The governorates that have seen a marked improvement during the period 1996-2001 are El-Minya and El-Fayoum but without sustainable improvement, where the poverty rate increased from 24.4% in 2001 to 31% 2008 / 2009 in El-Minya, and from 13% to 19% in El-Fayoum.
- The proportion of people in extreme poverty rose relative to the total population, while at the same time a downward trend was seen in most of governorates except the eight governorates.

#### 2.1.1.1.2. The second phase: targeting initiative for the thousand poorest villages

A group of the poorest villages was re-selected in accordance to the census for 2006 and Income, Expenditure and Consumption research for 2004/2005. Under the new program of geographical targeting, investments were directed to principal rural areas according to the population density for each of them. According to a mechanism for determining needs, a questionnaire at the family level was conducted for a group of targeted villages in the first phase (for 151 villages) through a three year plan. The questionnaire highlighted that the development of sanitation services was of greatest importance to the needs of citizens, followed by health care services. Table (3) shows the percentage of budget in each sector (according to the geographic targeting plan) compared to total investments planned in sector.

| <b>Table (3) Percentage of budget in each sector according to geographic targeting plan of poverty to total investments planned in sector</b> |           |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                                                                               | 2009/2010 | 2010/2011 |
| Pre-university education                                                                                                                      | 9.50%     | 5%        |
| Primary health care units in the poorest villages                                                                                             | 3%        | 6%        |
| Water and sanitation                                                                                                                          | 1.40%     | 2%        |
| Total geographic targeting program to the total investment in the state                                                                       | 1%        | 1.50%     |
| Source: Ministry of State for Economic and Social Development in 2010/2011.                                                                   |           |           |

In an attempt to assess the geographical targeting program for the poorest villages, the Social Contract Center (SCC) conducted a field study according to the following criteria:

**The first criterion:** comprehensiveness the program for families below the poverty line in the governorate.

Table (4) shows the following:

- The percentage of poor families covered is greater than the percentage of poor in the total population at the governorate level in El-Minya, Assuit, Suhag and Qena and nearer 100% of the rural population at the governorate level.
- The percentage covered by the program does not exceed 3% of the population of BeniSuef, with a poverty rate 42% in 2008/2009 according to research into income and expenditure and consumption. Also the program included only 10% of the population in El-Sarkeya and 0.2% in El-Behara where the poverty rate 23.5% is higher than its level in 2004/2005.
- The population in the governorates of Assuit, El-Minya, Suhag and Qena are fully targeted, and the proportion of the poorest families to the total number of the poorest families in Egypt is no more than 30% according to research on Income, Expenditure and Consumption data for 2008 / 2009 and 2004 / 2005.

| Table (4) Targeted governorates according to geographical targeted plan 2008/2009 |                             |                                         |                                                                                              |                                                                                                      |                                                                    |                                                                                    |
|-----------------------------------------------------------------------------------|-----------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Governorate                                                                       | Number of targeted villages | Number of villages in every governorate | Proportion of the population in the targeted villages for the total population in the region | Proportion of the population in the targeted villages for the total rural population in governorates | Proportion of the population below the poverty line in governorate | Proportion of the population non connected to sanitation to governorate population |
| Assuit                                                                            | 234                         | 235                                     | 68                                                                                           | 84                                                                                                   | 61                                                                 | 90                                                                                 |
| El-Minya                                                                          | 310                         | 246                                     | 70                                                                                           | 90                                                                                                   | 31                                                                 | 88                                                                                 |
| Suhag                                                                             | 250                         | 270                                     | 70                                                                                           | 90                                                                                                   | 48                                                                 | 88                                                                                 |
| Qena                                                                              | 112                         | 130                                     | 46                                                                                           | 55                                                                                                   | 39                                                                 | 91                                                                                 |
| El-Sarkeya                                                                        | 55                          | 469                                     | 10                                                                                           | 14                                                                                                   | 19.5                                                               | 61                                                                                 |
| El-Giza                                                                           | 18                          | 170                                     | 2                                                                                            | 5                                                                                                    | 23                                                                 | 22                                                                                 |
| Beni Suef                                                                         | 13                          | 222                                     | 3                                                                                            | 5                                                                                                    | 42                                                                 | 85                                                                                 |
| El-Behara                                                                         | 4                           | 417                                     | 0.2                                                                                          | 1                                                                                                    | 23.5                                                               | 69                                                                                 |
| Aswan                                                                             | 4                           | 40                                      | 1                                                                                            | 1.2                                                                                                  | 18                                                                 | 59                                                                                 |

Source: - Ministry of State for Economic Development, the poorest villages thousand data.  
- Central Agency for Public Mobilization and Statistics, Income, Expenses and Consumption Research at family level, various years.

**The second criterion:** the full needs in the targeted governorates without considering other Governorates

Table (5) showed the continued lack of compatibility between the distribution of investment and the needs. The targeted governorates have a lower share in the investment and the highest need in spite of the increase in the amounts allocated to investments in these governorates. However, there is a large gap between the per capita investment in the top governorates' share and the per capita investments in other governorates. Furthermore, the per capita investment in human development or infrastructure does not exceed 20% of the top per capita governorate in any of the geographically targeted governorates.

| Table (5) Governorates according their needs of investment                 |                                                                                           |                                                                                   |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| governorates Classification                                                | Governorates increase their needs indicators to provide services rather others            | Governorates reduce their needs indicators to provide services rather than others |
| <b>Infrastructure</b>                                                      |                                                                                           |                                                                                   |
| Infrastructure flows 50% and more of the share of the highest Governorate  |                                                                                           | Cairo - Port Said - Suez - El-Ismailia - Damietta                                 |
| Infrastructure flows 20% - 50% than the share of the higher Governorate    | El-Menoufia - Beni Suef - Qena - El-Behara                                                | Alexandria - Luxor - Assuit - El-Giza                                             |
| Infrastructure flows less than 20% of the share of the highest Governorate | El-Sarkeya-El- Minya - El-Fayoum - Assuit                                                 | El-Dakahlia                                                                       |
| <b>Human Development</b>                                                   |                                                                                           |                                                                                   |
| Infrastructure flows 50% and more of the share of the highest Governorate  | El-Suez - Port Said                                                                       | El-Suez - Port Said                                                               |
| Infrastructure flows 20% - 50% than the share of the higher Governorate    | Rising needs of Qaliubiya Governorate in the education sector                             | Alexandria - Luxor - Damietta - Kulaibeh- Cairo                                   |
| Infrastructure flows less than 20% of the share of the highest Governorate | Dakahlia - Giza - Beni Suef - Qena - El-Minya - Assuit - El-Sarkeya-El-Behara- El-Menofia | Aswan - Kafr el-Sheikh -gharbah                                                   |

**The third criterion:** local control over implementation

Application of the geographic targeting plan during the period (2002-2007) showed the existence of a concentration of the central control in the implementation of the projects. There were also problems associated with non-involvement of the community in planning the needs and implementation through a study of performance by the Information and Decision Support Center (IDSC) in September 2010. It discovered the unavailability of land needed for the project implementation (as land was owned by the state) and about 70% of the residents of the targeted villages were not aware of the program after the end of the planning process. In addition, the emergence of a lack of coordination caused problems at the beginning of implementation where trees planted by environmental projects at the side of roads were uprooted during a subsequent

sanitation project. Finally, there was no system of control over suppliers and their delays in the delivery of projects. (Nelson Report, 2010)

#### **2.1.1.2. The second component: rural development strategies**

The rural development strategies represent the second component of the poverty programs that improve the spatial dimension in the countryside, as follows:

Phase I: 1995/1996 - 2001/2002 implementation of the Shorouk program.

Phase II: 2001/ 2002 - 2004/2005 urgent implementation of emergency plan

Phase III: 2005/2006 - 2008/2009 implementation of the unified plan program.

**Phase I:** 1995/1996 - 2001/2002 implementation of the Shorouk program.

The "Shorouk" program for rural development and combating poverty in the countryside was applied in 1995/1996 by way of the development and building of the Egyptian village (DBEV), in which resources were allocated according to an integrated unified strategy based on sustainability and community involvement. The implementation of this program highlighted several problems including the following:

- The lack of complementary funding by the government, and the plan changing according to the wishes of the elite, which should account for the benefits of the projects, without having effective control over the implementation.
- 87% of the Shorouk program related to infrastructure (water, sanitation and bridges) without considering the provision of an economic component or human development programs. In this case the better-off or middle class would benefit. (UNDP, 2000)
- Absence from the program absence of two very important items: First, intensive intervention to target individuals and families to allow them to benefit from development programs and integrated reform. The second, the existence of a local unit entrusted with effective control. The presence of a complex administrative structure, where resources are allocated to the Ministry of Finance and Planning without reference to the needs of the village, which then distributes the resources to sectoral ministries. These operate independently from the work program of DBEV, which in turn is independently funded and undertaking a number of local projects in the work sectors of the sectoral ministries themselves. (El-Elhawany & Eleithy, 2007; Nawar, 2006)

**Phase II:** 2001/2002 - 2004/2005 urgent implementation of emergency plan.

According to this program, the basic services in villages and neighborhoods have been developed through the allocation of £250,000 for each village and £500,000 per neighborhood per year. The task of the local Administration is to set priorities and take over the management process, in addition to the formation of a Ministerial Committee to follow up the implementation of local projects and coordination among them. This allows the distribution of appropriations according to the number of villages and neighborhoods in each governorate, which helps to provide a steady and stable amount for villages and neighborhoods in the governorate. But in this program, the distributions of appropriations were inequitable and did not take into account the difference between the needs of the villages. The existing administrative structure is complex and is exacerbated by the continued absence of local authorities entrusted with the assessment of effectiveness.

In spite of the government conducting a range of intensive investment programs, there has not been a sustained improvement in absolute poverty indicators, even in periods of improvement in poverty

indicators at the national level. Also the poverty in countryside (both in Lower or Upper Egypt) increased at a higher rate higher than the rate of increase at the national level even in the years where there was improvement in the overall indicators as shown in table (6).

| Table (6) Increasing income poverty indicators in rural areas compared to the average on the state level |                   |         |           |           |                   |         |           |           |                     |         |           |           |
|----------------------------------------------------------------------------------------------------------|-------------------|---------|-----------|-----------|-------------------|---------|-----------|-----------|---------------------|---------|-----------|-----------|
|                                                                                                          | Rural Lower Egypt |         |           |           | Rural Upper Egypt |         |           |           | Average of Republic |         |           |           |
|                                                                                                          | 94/1995           | 99/2000 | 2004/2005 | 2009/2010 | 94/1995           | 99/2000 | 2004/2005 | 2009/2010 | 94/1995             | 99/2000 | 2004/2005 | 2009/2010 |
| Poverty                                                                                                  | 15.2              | 11.5    | 16.7      | 16.8      | 34                | 34      | 34        | 44        | 23                  | 20.1    | 19.6      | 21.4      |
| Extreme poverty                                                                                          | 3.4               | 1.8     | 1.6       | 3         | 11.8              | 11.8    | 8.5       | 17        | 7.4                 | 5.5     | 3.8       | 6.1       |
| Gini coefficient                                                                                         | 23.5              | 21.2    | 21.2      | 20.5      | 23                | 24.3    | 31        | 23        | 31.6                | 29.3    | 33.2      | 31        |

Source: Central Agency for Public Mobilization, Income and Expenditure and Consumption research at the household level different years.

**Phase III: 2005/2006 - 2009/2010 implementation of the unified plan program.**

With the beginning of the year 2005/2006 the emergency plan had been integrated with the unified plan program, and investment appropriations became part of the emergency plan, investment budget for the governorate and the DBEV. The investment budget for the governorate was incorporated as a total number and distributed to local villages according to the priorities and needs at the governorate level.

Investment opportunities for local development have shown fluctuations after continuous increases under the emergency plan program despite the continued need of Egyptian villages for intensive intervention. This is due to the fragmentation of intervention at the village level between the Ministry of Local Development and the geographic targeting program for combating poverty.

### 2.1.2. The second axis: Reform of the social security system.

This axis depends on two pillars as follows:

#### 2.1.2.1. Direct ration goods and baladi bread to areas concentrated by the poor.

Ration cards cover 85% of families in all governorates, which means that there is no correlation between the number of families below the poverty line and a family's benefit from ration cards at the governorate level. There are problems related to the absence of control on grocers, who distribute ration goods, resulting in manipulation of the quantities and prices of ration goods. In addition many goods are canceled, needed by 70% of the poor, such as lentils, beans and margarine in favour of commodities they do not need such as tea ([Information and Decision Support Center, 2010](#)).

#### 2.1.2.2. Social security pensions

The strategy depends on improving the demographic targeting systems for social security pensions through the allocation of resources. Social security pensions include the following components:

- Social security pensions for orphans, widows, divorcees, disabled people and spinsters over fifty. The pension value is between £60 and £80 per month for a family, in addition to £20-100 in cases where the family has children in primary or secondary education.
- Temporary monthly aid from the Ministry of Social Solidarity. The aid is on a case-by-case basis and ranges between £300-500 per month.
- Periods of crisis assistance, requiring that the cash income does not exceed £100 for the family, there is no land possession and no access to pension security.

Extrapolation of these facts shows the following:

- Lack of correlation between increases the number of families and increases in the allocated pension funds, which leads to a lower average pension granted by the Ministry of Solidarity for



poor families. The value of the increase in pension appropriation increases every two years by the same amount, £100 million.

- The lack of a foundation for determining the assessment of what the family deserves, which has led to estimates of minimum values to keep the needs of the pension stable given the absence of a bottom-to-top compilation to allow ministerial budget preparation.

- There is no methodology for reaching the beneficiaries and so there is reliance on demand from the beneficiary for the service. (Baybars et al., 2002)

Applying the geographical targeting method has not benefited a large number of the poorest, one third of the poorest families and 12% of the poor in Assuit receive social insurance in an area which contains 60.2% of the national population below the poverty line. (Korayem, K, 2010; Ministry of Social Solidarity, unpublished data, 2010)

### 2.1.3. The third axis: Working to ensure the entry of the poor into pre-university education and health services.

This axis depends on two pillars as follows:

#### 2.1.3.1. Access to health care services.

Public spending components on the provision of health care include two parts: health insurance for students and treatment at the expense of the state. This highlights the reliance on direct cash payments to get adequate health care service components to the individual, which means a low chance of the poor accessing adequate health care. Egypt is one of the highest countries in the world regarding direct payment for spending on health care. (World Bank indicators database, 2010). The ratio of public expenditure on health care to the total spending on health care in Egypt is smaller when compared with a group of countries as shown in table (7). Also, public spending on health care as a percentage of GDP is less, as shown in table (8).

| <b>Table (7) Public spending on health care as a percentage of total expenditure on health care</b> |             |             |             |             |             |             |             |
|-----------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Country</b>                                                                                      | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
| <b>Egypt</b>                                                                                        | 43.7        | 41.4        | 42.2        | 41.3        | 39.4        | 40.7        | 39          |
| <b>Argentina</b>                                                                                    | 54.7        | 58.2        | 61.8        | 66          | 64          | 66.5        | 69.2        |
| <b>Jordan</b>                                                                                       | 55.5        | 59.8        | 61.9        | 70          | 67.3        | 65.5        | 63.1        |
| <b>Israel</b>                                                                                       | 63          | 61.3        | 62          | 62.6        | 61.8        | 61.2        | 61.7        |
| <b>Lebanon</b>                                                                                      | 65.8        | 66.8        | 67.9        | 69          | 70          | 77.3        | 77.3        |
| <b>Chile</b>                                                                                        | 41          | 42.5        | 44.2        | 47.9        | 48.1        | 48.4        | 48.6        |
| <b>Brazil</b>                                                                                       | 41.7        | 41.8        | 42.8        | 43.6        | 47          | 45.7        | 46.4        |
| <b>source: world Bank Database, different years.</b>                                                |             |             |             |             |             |             |             |

| <b>Table (8) Public spending on health care as a percentage of GDP</b> |             |             |             |             |             |             |             |
|------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Country</b>                                                         | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
| <b>Egypt</b>                                                           | 5.2         | 4.9         | 4.9         | 5           | 4.8         | 4.9         | 5           |
| <b>Argentina</b>                                                       | 8.3         | 8.2         | 8.2         | 9.4         | 8.2         | 7.9         | 8.5         |
| <b>Jordan</b>                                                          | 8.1         | 8.3         | 8.8         | 9.5         | 8.5         | 7.8         | 9.8         |
| <b>Israel</b>                                                          | 7.4         | 7.5         | 7.6         | 7.6         | 7.6         | 7.6         | 7.5         |
| <b>Lebanon</b>                                                         | 8.1         | 8           | 7.5         | 7.4         | 7.2         | 7.4         | 7.6         |
| <b>Chile</b>                                                           | 6.2         | 6.4         | 6.8         | 7.5         | 7.1         | 7.1         | 7.2         |
| <b>source: world Bank Database, different years.</b>                   |             |             |             |             |             |             |             |

Regarding health insurance for students, it has been unchanged (fixed) since 2005/2006, although the number of students changed. This means a student's share of the healthcare allocation decreased to no more than £12 in 2010/2011. As for treatment at the expense of the state, it was unchanged at £1.5 billion annually since 2003/2004 and has now increased to £2.5 billion in 2010/2011 without the presence of governance rules on how to distribute the provisions of this budget.

The real problem facing the health sector in Egypt is the curative health problem, where the quality rate declined at an increasing rate (USAID, 2010). In addition, there is a reduction in the share of operating expenses in public health services with increasing investments in health care units. This is due to the unlinking of spending to specific targets that represent the output of that spending, and investment expansion coupled with operational deflation. This suggests that horizontal expansion to extend the health service affects the quality of service provided to the poor and effectiveness of public spending on health. (Ministry of Finance, final account report, different years)

#### **2.1.3.2. Access to pre-university education services.**

Income, expenditure and consumption research conducted in 2008/2009 by CAPMAS indicates that tuition used about 65% of spending on education for the poorest, without being able to compensate for the low quality of the educational process by private lessons; school transport costs alone exhausted 25% of the education budget. The education indicators declined in all categories of life years for the poorest compared to the better-off, highlighting the ineffectiveness of education policies in combating poverty. (Gabl & Alqtat, 2010)

In summary, poverty strategy components through public spending in Egypt showed the following:

1. The ineffectiveness of combating poverty programs based on providing basic services in targeted governorates across the geographic targeting plans since 2000, since the programs did not build on needs themselves to distribute spending investment to cover the needs. In addition there was a lack of mechanisms for follow-up and measuring the extent to which the poor benefited from public expenditure.
2. Rural development faces difficulties, including the administrative structure, which weaken governance frameworks.
3. The omission of complementary needs provision (economic components and control over the quality of service) to allow the poor to benefit from the education and health services.
4. Weak economic components of the combating poverty program based only on the commodity support and with reductions to the governorates in which the proportion of the poor decreased.

#### **2.2. Conduction of a survey in Kafr El-Sheikh and Suhag governorates.**

The objective of the survey is to analyze on a micro level the obstacles that jeopardize the sustainable effectiveness of pro poor public expenditure programs. There are three items necessary to achieve the objective of the research:

- Identify the methodology for measuring poverty.
- The reasons for the effectiveness/ineffectiveness of interventions.
- Requirements necessary to achieve effectiveness in combating poverty.

All data relating to the responses to the questionnaire appear in tables in the Appendix as Tables A1-A40.



### 2.2.1. Identify the methodology for measuring poverty.

There are two types of studies related to dynamic poverty analysis and the effectiveness of interventions to combat it: Empirical Studies that are *not* based on a questionnaire and Empirical Studies that are.

#### 2.2.1. 1. Empirical Studies not based on a questionnaire.

These studies attempt to analyze the impact of the effectiveness of public expenditure components on combating poverty in terms of a methodology and are divided into two types:

A. studies that rely on simulation and are used by the World Bank studies to assess the impact of public projects to combat poverty through dynamic equilibrium models. The models are used to analyse the effects of overlapping sets of policies intended to achieve the Millennium Development Goals, including the goal of combating poverty (Boaud et al., 2011). The disadvantage of these models lies in their macro view, and also their inability to include overlap between the elements of locality of both time and place. Also it is inflexible for handling all determinants at the micro level.

B. Studies that rely on multiple regression models using Panel data (Fan 2006; Jha, 2004; Fan & Huzel, 2001; Wood & Ajwad, 2001). In general, the types of multiple regression models not only provide a overview of the effectiveness of interventions but also identify the most influential. However, the model cannot be relied upon alone in analyzing the effectiveness for the following reasons:

- Some interventions have changed the response pattern according to the characteristics of the population, which makes it difficult to measure the current state through the standard model.
- The model's role is to determine the effect of intensifying some interventions across governorates and time to combat poverty, and so does not justify the reasons for the success or failure of these interventions.
- The presence of the risks and other properties may have placed families in poverty and it is difficult to measure these by a quantitative model based on published data.

**In summary, quantitative models are inadequate to analyze the effectiveness and the reasons for ineffectiveness of combating poverty programs, because of dependence on total macro scale data, and so the methodology used for the analysis was by questionnaire.**

#### 2.2.1.2. Empirical Studies based on a questionnaire.

These studies were associated with what is known as Poverty Dynamics, defined as the analysis of the evolution of poverty over time and the causes of this development (Addison et al, 2007). Studies using a questionnaire at the family level can be classified as follows:

- Studies that depend on panel data analysis to find the determinants of poverty at the family level.
- Studies that address the effectiveness of interventions for combating poverty. The international experience of analysis has used three methodologies: a questionnaire at specific point in time depending on retrospective data; repeated analysis polls over time on a group of poor families, identified using panel interview-based data analysis; those depending on a point in time, made up cumulatively using questions showing the length of the period as an alternative to repeating the questionnaire.
- Studies that address the determinants of the effectiveness of the intervention, where the questionnaire analyzes the utilization of programs chosen to combat poverty and the causes of the unsustainability of effective use.

- Studies that rely on qualitative analysis focus groups to examine the dynamics of poverty (Davis, 2007; Baud et al., 2011; Davis, 2011).
- Studies that have attempted to clarify the effect of variables, not included in combating poverty programs, on the effectiveness, and sustainability of the effectiveness, such programs in light of an assets-based approach (Haan, 2002).
- Studies that analyze the impact of individual and social behaviour on the effectiveness of interventions in an integrated manner (Dewalle 1998).

In Egypt, there has been much field research dealing with poverty including the following:

- Income, Expenditure and Consumption Research, which includes the outlays and income of the family. The researcher cannot rely upon these data to address the effectiveness of interventions for combating poverty, because there is no complete sample of tracked families and it does not address specific questions about interventions for combating poverty.
- Operation and labour market research, which began in 1988 and was repeated in 1998 and again in 2006 to follow families where the head of family was working and new families generated during the period between researches. These results did not fit the purposes of current research because they neither address questions about the needs and benefit from services nor the reasons for the non-benefit of interventions to combat poverty.
- Social contract Surveys to assess interventions related to the poorest villages. These are of two types:
  - . Baseline research, used to identify the needs of the 151 poorest villages to determine priority programs for intervention under the targeting of the thousand poorest villages. This survey concluded that sanitation services are the most important interventions needed by one-third of the poorest families that are exposed to health shocks.

Evaluation of the effectiveness of interventions, focused on the delivery of services and implementing the program. This highlights the lack of co-ordination between ministries and lack of availability of local land for the establishment of sewage networks, and also the lack of an economic component for combating poverty at the family level.

The questionnaire of this research aims to analyze the reasons for ineffectiveness of programs that formed a strategy for combating poverty in Egypt since 2000. The questionnaire consists of three main questions and each of which consists of a group of sub questions as follows:

1. Reasons related to the non-delivery of public services for the poor families who should benefit from them. There are many problems including inadequate targeting and benefits to the better-off from services unrelated to targeting.
2. Reasons related to the presence of other risks relevant to vulnerable groups in poverty and appropriate entry trigger events. These are represented in economic activities and family-level risks.
3. Reasons related to the ineffectiveness of the public service supplied, despite its delivery to the poor and their attempts to benefit from it. These include the quality of service itself and inconvenience of programs offered to the meet the needs of the poor.

In light of the components of the questionnaire, Table (9) shows the classification in accordance with the poverty dynamics pattern in order to choose the governorates of the study. The second and third groups are the most important from the standpoint of the study. The second group describes the poverty dynamics, and the Kafr El-Sheikh governorate was chosen to represent this group since it is the one most deprived of public services in Lower Egypt. At the same time, it was not targeted in the geographical targeting program, so provides an overview of the fairness of the geographic

targeting program. The third group showed the reasons for an increase in the proportion of the population below the poverty line despite interventions for combating poverty. Sohag was selected to represent the third group because of the increase in its share of poor families nationwide and it has been included in all programs implemented to combat poverty.

| <b>Table(9) Classification of the governorates according to poverty dynamics pattern to choose governorates of the study</b>                                     |                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Classification</b>                                                                                                                                            | <b>Governorates</b>                                                     |
| <b>Group I:</b> governorates witnessing continuous or steadier improvement in the proportion of the population below the poverty line from 90/1991 until 11/2012 | El-Suez -El- Ismailia - Port Said - Damietta - Alexandria - El-Menoufia |
| <b>Group II:</b> governorates witnessing continuous volatile in the proportionof the population below the poverty line since 90/1991 until 11/2012               | Kafr El-Sheikh - Minya                                                  |
| <b>Group III:</b> governorates witnessing a continuous increase in the proportion of the population below the poverty line since 90/1991 until 2010/2011         | El-Behera - Sohag - Assiut, Qena                                        |
| <b>Group IV:</b> governorates shawed a decline in the level of poverty in the last Income, Consumption and expenes research only.                                | El-Sarkeya                                                              |
| <b>Group V:</b> governorates sawincreasing in poverty measurements in the last Income, Consumption and expenes research only.                                    | Dakahlia -El- Fayoum                                                    |

The study was conducted on 615 families in Kafr el-Sheikh and Suhag according to the distribution of the population in each governorate. The list of cities in both governorates represents the framework of primary sampling units in urban areas, and the list of villages represents a framework in rural areas. There are several stages to the sample design:

- 1) Obtaining details of the last census of the two governorates from the Central Agency for Public Mobilization and Statistics.
- 2) Finding the study sample distribution between the two governorates according to the relative distribution of population in both.
- 3) Finding the distribution of selected families according to population numbers in each centre of the governorate.
- 4) Finding the distribution of selected families of all centers in the urban and rural areas related to the weight of the population in each of them.
- 5) One or two sample units were drawn randomly according to mass population from the list of cities / villages.
- 6) Sampling units (cities / villages) were split geographically into four approximately equal parts based on the the size of the population, and the families then chosen.

The study relied on the wealth index of Filmer & Pritchett in 2001. This index is the most comprehensive and mature for scientific, formative, and measurable indicators than other alternatives. It also has the most options to express the economic situation of a family in the long term without depending on capacity, education and health indicators in the index composition itself. Furthermore, it is the indicator used in the classification of families in the demographic Health survey and reflects the well-being of the family in the long term, where income and expenses indicators cannot achieve this objective alone.

The index consists of two sets of variables. The first variable reflects ownership by the family of physical assets, for example televisions, refrigerators and bicycles, while the second variable considers the characteristics of housing, living conditions and land ownership. There are two variables components of the index, either discrete or continuous. The discrete variables include bilateral and multiple variables; all asset indicators take the value one (for those who have assets)

and zero (for those who have none), while the continuous variables reflect a deterioration in the family welfare level compared to other families.

Depending on the indicators above, the sample families were classified and the results are presented in table (10). It showed that the poorest families in Kafr El-Sheikh are better off than the poorest families in Suhag while the richest families in Kafr El-Sheikh are better off than the richest families in Suhag. This means that the families of the Suhag governorate belong to the same (minimum) quintile of wealth.

| <b>Table (10) The extent of the wealth index (lower value and greater value) for Kafr El-Sheikh and Sohag</b> |                  |            |                    |
|---------------------------------------------------------------------------------------------------------------|------------------|------------|--------------------|
| Governorate                                                                                                   | wealth indicator |            | Number of families |
|                                                                                                               | low value        | high value |                    |
| Kafr El-Sheikh                                                                                                | -0.603           | 0.9499     | 263                |
| Suhag                                                                                                         | -0.9829          | 0.7785     | 352                |
| total                                                                                                         | -0.9829          | 0.9499     | 615                |

Table (11) shows that the proportion of poor and poorest in Kafr El-Sheikh represents 30.5% of the sample families and this percentage rise in Suhag to 45.7%, in spite of the lower minimum of the wealth index in Suhag than Kafr El-Sheikh. The presence of more than 30% of the sample families in Kafr El-Sheikh in the lowest two quintiles of wealth underlines the lack of fairness in the concentration of services for poverty eradication geographically. It also deprives the poor in non-targeted governorates when they belong to the same quintile of wealth as those beneficiaries in targeted governorates. The middle-income quintiles in Kafr El-Sheikh contain 23% of the sample families, compared to only 17% in Suhag, indicating inequity in the distribution of income in Suhag compared to Kafr El-Sheikh.

| <b>Table(11) The relative and numerical distribution to the sample families according to the wealth index in both Governorates</b> |                |        |        |        |        |        |
|------------------------------------------------------------------------------------------------------------------------------------|----------------|--------|--------|--------|--------|--------|
| wealth quintiles                                                                                                                   | Kafr El-Sheikh |        | Suhag  |        | Total  |        |
|                                                                                                                                    | Number         | %      | Number | %      | Number | %      |
| Porest                                                                                                                             | 32             | 12.20% | 86     | 24.40% | 118    | 19.20% |
| Poor                                                                                                                               | 48             | 18.30% | 75     | 21.30% | 123    | 20.00% |
| Mudium                                                                                                                             | 61             | 23.20% | 60     | 17.00% | 121    | 19.70% |
| Rich                                                                                                                               | 58             | 22.10% | 67     | 19.00% | 125    | 20.30% |
| Richest                                                                                                                            | 64             | 24.30% | 64     | 18.20% | 128    | 20.80% |
| Total                                                                                                                              | 263            | 100%   | 352    | 100%   | 615    | 100%   |

## 2.2.2. The reasons for the effectiveness / ineffectiveness of interventions.

The main objective is to identify the reasons for effectiveness or ineffectiveness of different government interventions, and the interpretation of the dynamics of entry and exit from the poverty cycle. To achieve this goal the author deals with each intervention in terms of the percentage of beneficiaries in the poor and the poorest categories, and the obstacles to effective checks within programs to monitor uptake. The analysis begins by asking about the availability of the service, and then asking the beneficiaries of the service about the main reason why they did not obtain benefit, and asking the non-beneficiaries of the services why they did not take advantage of the services in the first place.

### 2.2.2.1. Infrastructure Services.

### **2.2.2.1.1. Sanitation services.**

The proportion of sanitation connections is 44% of the total sample in the two governorates, covering 50% of the sample in Kafr El-Sheikh and 25% in Suhag. The proportion of the poor and poorest in Kafr El-Sheikh is only 35% of the total poor and poorest sample, and just 10% in Suhag.

Table (A1) shows the ratios of the distribution of sanitation problems afflicting the society across the wealth quintiles. The cost of drainage for families is the most important problem suffered by the poor in Suhag, which indicates the importance of connecting sanitation to ease this burden. Table (A2) shows the reason for the lack of access for sanitation system is that it is not yet in place; there are no other reasons cited by the poor and the poorest in their responses that prevent them from seeking to take advantage of sanitation services if provided. However, despite the high percentage of the poor and the poorest benefiting from the public sanitation projects provided, there are problems in the sanitation networks, which indicate the existence of poor quality maintenance in services obtained by the poor as shown in Table (A3).

### **2.2.2.1.2. Road paving.**

Table (A4) showed a higher rate of utilization among the poor in Suhag than in Kafr El-Sheikh. The most important reasons for the poor not benefiting from roads in Kafr El-Sheikh is the paving speed and subsequent cracking of the roads within a short period because of poor quality pavement. There was also a focus on paving major rather than local roads, which, for the poor, impedes access to the main roads to use them. In Suhag, the main benefits for the poorest and poor are access to local transportation, but the main reason for non-benefit is that a large proportion of local roads are unpaved. The comparison between the two governorates show the importance of local needs at the village level, where there has been beneficial access in Suhag but not Kafr El-Sheikh, although total paved roads are equal in both.

### **2.2.2.1.3. Cleansing and covering of canals projects.**

Table (A5) shows responses from different wealth categories regarding cleansing and covering of canal projects. The main reasons why the poorest lack benefit from such projects in Kafr el-Sheikh and Suhag is that they do not own agricultural land or that they did not suffer from problems related to the canals, for example where the land is adjacent to the course of a major river.

## **2.2.2.2. Human Development Services.**

### **2.2.2.2.1. Pre-university education.**

Table (A6) shows a decline in the rates of enrollment in the lowest categories of wealth relative to the better-off, where more than 61% of families send their children for education up to 70% of the richest families. In addition, there is an equal focus on joining public schools for both governorates, so it is possible to conclude that the poor benefit less than the better-off from complementary educational services. Table (A7) shows the correlation between leak of children from education and poverty, and it is most noticeable in Suhag relative to Kafr El-Sheikh, where leakage rates are lower than from Suhag, and lower among poorer than in the same category in the Suhag better-off categories.

However, an analysis of the leakage pattern in table (8, Appendix) shows that the poorest families in Kafr El-Sheikh tend to leak all their children from education unlike in Suhag. So it is necessary to consider the reasons for non-enrollment and leakage from education across the wealth categories. The sample families were asked about the availability of educational services and their ease of access, with the response that there is a high proportion of services in the areas concentrated by the poor, but lack of availability is observed in secondary schools in Kafr El-Sheikh, which seems deprived almost completely of these schools. The sample families were asked about the lack of access of available educational services. The most important answers were the following:

- one-third of the reasons in the poorest category are economic in each of Kafr El-Sheikh and Suhag, and this proportion rises to 50% in poor families in Kafr El-Sheikh.
- 24% of the poorest families attributed the leak of their children from education to cultural factors or to the capabilities and desires of the individual in Suhag but not in Kafr El-Sheikh. However, in general it seems that the impact of cultural factors and lack of persuasion as a determinant of education leakage is more in the rich categories of wealth rather than the poor and the poorest in both governorates.
- the choice of the individual to work occupies a top ranking for factors affecting education leakage in Suhag rather than in Kafr El-Sheikh, where unemployment is widespread among adults.
- The non-enrollment in better-off families can be explained by a lack of money where education has a lower importance, and hence a lower spending priority, than other families expenditure items, because it is seen as non-productive.

Table (A9) shows the ratios of the sample families according to the reasons given for non-enrollment of individuals in education (6-24 years) distributed across the quintiles of wealth (both male and female children). The questionnaire shows further scenarios where studying is left because of the lack of income:

- Dropouts after a healthy family is exposed to shock. For example, the head of the family contracts a disease and seeks access to treatment at the expense of the state or even the children's education. If the family cannot continue to bear the costs of treatment, this may lead to health deterioration or death of the head and without his ability to work, the family enters the poverty cycle, with the sons in education forced to work to reduce the family deficit.
- Dropouts after exposure to trauma caused by rising food prices followed by the inability to provide an education and basic expenses. Loss of study because of non-payment of expenses, and seeking to save these expenses in the following years through work, hardens the family to work and creates a pool of unskilled labour.

To analyze the determinants of effectiveness in combating poverty, the questionnaire included two questions to those who have already achieved access to an educational service as follows:

A question for those enrolled in ongoing education considered repeated absences, where there was found a marked increase in absenteeism among the poor and poorer than the better-off categories. More than half of the children belonging to poor families were frequently absent for periods of more than ten days from school. The most important reasons were chronic disease and the lack of money (pocket money) in Kafr El-Sheikh, but in Suhag it was working and the cost of providing for the school day.

The second question related to the quality of service as a determinant for effectiveness and use of the service. The answers showed no complaints about the basic quality in the educational process, and low quality did not appear as a reason for non-attendance or as a criterion for the poor and the poorest to fully benefit from the educational service. The most important reasons for not realizing the role of free education for the poor families are the following:

- Informal economic component represented mainly in private lessons, so teachers are interested in pupils to whom they give private lessons and this increases the burden on other pupils for example by multiple requests for gifts, decorating classes and joining private lesson groups.
- Lack of communication between the poor and the educational institution to make their own circumstances known.



- Depriving the poor of necessary subsidies to complete education when exposed to risks. The governmental school subsidy equals 5% in Suhag and 6.6% in Kafr El-Sheikh as shown in Table (A10), which shows the ratio of families that receive government subsidies for one or more children or NGO subsidies to cover education expenses in any form and under any name for this purpose the across quintiles of wealth in both governorates.

#### **2.2.2.2.2. Health**

The analysis begins with a survey of the availability of health services across the wealth categories. The most important results are the following:

- In both governorates, the fewest services available for the poor are health insurance services, governmental hospitals services, the greatest available are primary health care units and Family Planning Centers. The gap in access to primary health services to the poor is greater in Kafr El-Sheikh than Suhag.
- The poor in Kafr El-Sheikh are more deprived of governmental hospitals than those in Suhag, highlighting the unfairness of geographical targeting of services to the poor.

The questionnaire then addressed the problems faced by the poor that prevents them from receiving benefits from available services as follows:

- There is an equivalence in the ratios of beneficiaries from government health services between the rich and the poor, with the exception hospital services or health insurance units for Kafr el-Sheikh, which their benefits gained by the richest and no more than 7% among the poorest.
- The availability of a service does not always mean it is most commonly used, and this fact clearly applies to Family Planning Centers.

Appendix tables (A11), (A12), (A13), (A14) show an analysis of the reasons for non-use of services available and accessible in the village to study the complementary needs for availability to the poor:

- Quality is the main determinant for benefiting the poor and the poorest from health care units and government hospitals. So access without quality of service is not sufficient and will not be effective in combating poverty.
- The majority of families do not require the presence of Family Planning Centers, and lack of need is the main reason for few beneficiaries of these services despite the high rate of availability.
- The percentage of poor who has governmental insurance for health is low, and high for the rich and the richest.

The questionnaire then moved to analyze the places providing a medical service that is reliable for the family in general. The most important results were as follows:

- The greater number of places providing governmental medical services for the poor are the central public hospitals, which represents a lower less service availability.
- More than 50% of the poorest went to a private doctor for treatment, and this rises to 96% of the poorest in Kafr El-Sheikh and drops to 34% in Suhag.
- The use ratio of the rich and richest of health services units and Family Planning Centers are equivalent to that of the poor and the poorest.

These results are confirmed by the question about quality standards to the poor who benefited from the service, who confirmed that more than 90% suffered from poor quality of service and lack of effectiveness. The main reason to continue using the service is the low cost, as shown in table (A15).

The questionnaire asked about the amount that the family spends on health care and medication each month and the sources of funds. The answers showed in Appendix tables (A16), (A17). The answers showed that there is an equivalent family spending on health between the rich and the poor, which means the absence of mechanisms to reduce the burden of health spending for the poor. The percentage of the poorest that relies on government subsidy is 1.4 % in Suhag and zero in Kafr El-Sheikh.

The questionnaire analyzed the impact of the cost of health care spending in the poor and poorest groups by asking families about budgetary items that are adversely affected by increasing costs of treatment. For the poor in both Kafr el-Sheikh and Suhag these are eating, drinking and ability to complete the treatment itself and pocket money for children. As a result the family will get into a poverty cycle with increasing food and drink prices, with increased health problems through inability to use prescribed treatments.

### **2.2.2.3. Economic intervention.**

#### **2.2.2.3.1. Food support.**

Analyzing the reasons for the ineffectiveness of food support (baladi bread and ration cards) in combating poverty, table (A18) showed that 41% of the poorest rely on baladi bread partially in their diet in Kafr El-Sheikh and 45% in Suhag.

Table (A19) shows equality in the average number of loaves consumed by the poorest with the better-off. This can be explained by bakeries specifying the number of loaves per buyer especially after using a smart card, without distinction between rich and poor. The poor buy non-subsidized bread to complete their diet, because it is their staple food and with price increases of others foods compared to non-subsidized bread. Also, more than 82% of families possess ration cards equally in all wealth categories in Kafr El-Sheikh, while in Suhag a higher proportion of families own a ration card in the medium category compared to other wealth categories. Sample families depend on ration cards to meet basic needs in all wealth categories; with the exception of one case of the poorest in Kafr El-Sheikh that do not have the money to buy subsidized items available through a ration card.

#### **2.2.2.3.2. Micro lending finance program.**

To analyze the extent to which the poor and the poorest accept the idea of getting a loan for a small business, the sample families in table (A20) show a low percentage biased, in general, to the idea of getting a loan for a project, and a high preference for the idea among the poor relative to the better-off. This means that the culture of avoiding loans does not belong to the poor alone, but it is prevalent in all income categories. Table (A21) shows the reasons for refraining from loans. The most important are the rise of interest rates in general, a lack of required skills, recession and the limited domestic market. Table (A22) shows the actual access to credit across the wealth quintiles in both governorates, where there is low recourse to borrowing from institutions among the poor for any purpose. A review of the most important sources of borrowing in table (A23) shows that there are three determinants for choosing a place to borrow: existence in the village or nearest village, a bank renowned in the village and the provision of loans without collateral and a low interest rate.

To find out the effectiveness of borrowing programs to reduce poverty, The questionnaire asks a series of questions of the beneficiaries of loans to analyse the effectiveness and limitations in combating poverty. For the effectiveness of access to credit to improve the economic situation of the family, table (A24) showed that 5% of the poorest, 40% of the poor in Kafr El-Sheikh said that joining the program loans reflected positively on the economic situation of the family, but in Suhag the percentage did not exceed 33% of the poorest and 28% of the poor. The main reason for the lack



of effectiveness of the loan was that it was used for their children's marriages or to repay previous loans, as shown in table (A25).

#### **2.2.2.3.3. Social Security pensions (SSP).**

Table (A26) shows that more than 20% of the better-off in Kafr El-Sheikh got SSP and child pensions, which represented a diversion of funds due to the recurrent pattern of categorical targeting used in the two types of pension. Table (A27) shows the proportion of families with access to a pension due to the presence of an elderly person is only about 60% of the total pension recipients in Kafr El-Sheikh and 47% in Suhag.

The reasons given by the poor and the poorest about the lack of access to SSP and child pensions in the two governorates were associated with ignorance of the eligibility criteria or of the existence of the service, but the answers given by the better-off cited the small amount of the pension. In Kafr El-Sheikh more than 95% of the poor and the poorest complained of the unavailability of any offices to provide social insurance, which is not the case in Suhag.

On the role of the pension to improve the standard of living, the better-off were unanimous that ineffectiveness in combating poverty was due to the amount being insufficient to follow the continued increase in prices. This showed a lack of appreciation for the basic needs of families in the formulation of the amount, while only 23% of the poorest families said it improved their standard of living and was indispensable.

#### **2.2.2.3.4. Employment in public works and government investments.**

When the poor and the poorest in both governorates were asked about their employment in public works and government investments, they said there was no involvement. When they asked about the reasons, they said they said there are no projects, that the entire family works, and also there is no need for low value business, which included a review of seed quality in agricultural associations and afforestation areas.

When sample families in both governorates were asked about risk exposure during the past two years that had had a negative impact on the economic level of the family, the answers in Table (A28) shows that poverty in Kafr El-Sheikh was greater than in Suhag. Poverty is structurally linked to the nature of casual labour in Suhag, which confirms the local nature of the problems of poverty and the causes of falling into poverty. The main risks are health risks in both governorates, and in Kafr El-Sheikh there are risks associated with unemployment while in Suhag they are related to intermittent work. Table (A29) shows the different types of risks.

#### **2.2.2.4. Ineffectiveness results from the existence of risks occurring during poverty.**

The presence of other risks affect vulnerable groups in poverty and cause entry trigger events The questionnaire asked about dealing with these risks and how the impact of risk was transferred through the generations, the impact of dealing with the risks on deepening poverty, and the presence of supporting programs to overcome the risks and the effectiveness of existing programs. Table (A30) shows the lack of effective government programs to address the risks, resulting in borrowing from relatives and acquaintances in both governorates. This helped the poor overcome the crisis, although it was ultimately ineffective and left a negative impact on the economic level of the family.

#### **2.2.3. Requirements necessary to achieve the sustainable effectiveness for combating poverty.**

This requires knowing the requirements for the effectiveness of combating poverty programs, and then an analysis of the availability of the determinants of sustainable effectiveness.

### **2.2.3.1. Requirements for effectiveness of combating poverty programs.**

The analysis begins with knowing of the necessary needs to reach an effective combating poverty program and analysing the problems that hinder the poor from benefiting through the components of combating poverty as follows:

#### **2.2.3.1.1. Human development programs.**

Table (A31) shows the least burden borne by the poor beneficiaries of educational services are transport costs, and the primary burden is the cost of books and school groups. Therefore, the provision of schools in the same village or neighbouring villages will not solve finally the economic reasons for the lack of access to education or leakage from it for the poor and the poorest. This is the same result that was confirmed by a survey of 151 primary villages of the poorest. The main burden in health services that hinders the poor patients from completing treatment was medication as shown in the table (A32).

The poor and the poorest regard the most important service that needed to be developed is health services units and the analysis indicates that 90% of the sample families in Kafr El-Sheikh have such a service in their village but they did not use it due to a lack of quality. With regard to educational services, most of sample families in the two governorates did not cite the lack of needs, however in Kafr El-Sheikh 33% of the poorest and the poor said that they need a technical school.

#### **2.2.3.1.2. Economic programs for combating poverty.**

Table (A33) showed a high proportion of the poor and the poorest reported that their sons suffered from unemployment relative to the better-off. Also more than 95% of the unemployed in poor and poorest families have been searching for work for long periods, unlike the unemployed from better-off families. Table (A34) shows the main reasons for the lack of work and were represented among the poor in the lack of appropriate business relevant to their skills.

The questionnaire asked the poor about their vision of the most important projects that they themselves can do to improve the level of income and be commensurate with their skills. The answers are shown in table (A35). The analysis highlighted that 78% of respondents said the opportunities were not appropriate to their skills, especially those who are graduates from technical schools.

The questionnaire addressed the most important procedures to lift the poor and the poorest from the poverty cycle. The answers showed that agricultural sector problems are not the most important and also not the most influential on the economic situation of the poor, whereas the rising importance of health problems and unemployment with a decline in the importance of providing education services to solve poverty is shown in Appendix tables (A36), (A37). From the point of view the poor, the actions they deem to have the least impact on poverty eradication were the provision of loans with interest to small enterprises and travelling to work abroad or immigration loans as shown in table (A38).

### **2.2.3.2. Analysis of the availability of the determinants of sustainable effectiveness for combating poverty.**

From a review of the determinants of sustainable effectiveness that have been addressed in the light of international experiences, the author has assessed the availability of sustainable effectiveness for combating poverty programs in the Egypt as shown in the Appendix analytical matrix tables (A39), (A40). The determinants include the alignment of interventions with needs, the presence of elected institutions to understand the needs of the local community and which enjoys the confidence of the poor, a focus on the economic dimension, and prevention of intergenerational transmission of poverty programs.

Regarding the alignment of interventions with need, table (39, Appendix) shows a distribution of investments and projects in accordance with the needs. This table concludes the following:

- The highest needs in both governorates are the same projects that topped the list of those that had not been implemented at that time.
- Neglect of the health sector in Kafr El-Sheikh despite the severity of the need for development, while in Suhag it has been developed under a geographical targeting strategy.
- The development of education services in Suhag depend on building a range of new schools and renovation of some schools in the villages without providing the necessary economic component.

Regarding the necessity of knowing the needs of the poor and to control the implementation of strategy, table (A40) shows the answers about the important participants most fully aware of their needs and most reliable. The answers in both governorates highlighted the lack of an official body to gather the people's needs. In Kafr El-Sheikh there was an absence of the role of the Local Council to understand the needs of people and the lack of its role to fully engage in Suhag. However, the importance and strength of the local National Association increased at the village level.

Regarding the economic dimension, there is lack of provision of the economic component to allow the poor to benefit from the services available.

There are no effective programs for combating poverty today. Also, there are no programs to prevent the transmission of poverty across a generation, which happens through lack of access to education, Diseases, lack of treatment, the high cost of medicines and unemployment of the young poor due to the lack of employment commensurate with their skills all contribute to this situation.

The main findings of the questionnaire are: 1- Infrastructure related components: a. the poor and the poorest wealth quintiles do benefit from sewage system infrastructure. The main obstacles are related to maintenance of the sewage network. b. Denying the provision of local roads and lack of organization in planning for road paving are the main reasons for the lack of effectiveness of the road network infrastructure. 2- Human development related to components: a. Informal payments are the main obstacle facing the poor to undertake their education or enroll children. b. Quality is the main factor behind the lack of effectiveness of public health infrastructure investment, making available services an ineffective tool for poverty eradication. 3- Regarding economic interventions: a. Leakage to the well-off wealth quintiles is quite obvious even when analyzing data related to social pensions that depend on proxy-based targeting. b. Interventions do not match the needs of the poor and the poorest wealth quintiles. 4- The main sources of risks that lead to deterioration into poverty and poverty traps are health problems and unemployment. The study shows that agriculture sector-related risks are not the most problematic from the poor and the poorest families' point of view.

## **Conclusion**

The study deal with the evolution of the pro-poor public spending concept from the first approach, which focused on distributive justice and re-prioritize spending concepts to focus on the goal of combating poverty, while the second approach focused on measurements sustainable effectiveness pro-poor public spending and the achievement of the objective of this spending. Therefore, the second approach is both the most accurate and comprehensive, and thus the pro-poor public spending definition is the spending which is drafted according to mechanisms that guarantee the benefits to the poor are greater than to the non-poor (efficiency condition). Consequently, achieving

positive results represented by increasing the income of the poor by a rate greater than the real increase in average per capita national income to exit the poverty cycle (effectiveness condition) is a sustainable improvement. Individuals do not then fall back the cycle of poverty or needs once they are subjected to any shock or unfavourable conditions again (sustainability condition). Therefore, the concept goes beyond targeting the poor by resources, and doubling resources for combating poverty, to the concept of public expenditure management.

The study found the foundations for sustainable efficiency according to asset-based and right-based approaches, which include the following: (1) Presence of needs-based funding formulas for the regional allocation of resources. (2) Presence of needs-based funding formulas to allocate resources for first line service providers. (3) The presence of specific criteria for service quality control. (4) The integration of social protection components and the presence of transparent foundations to estimate the transferred value. (5) The optimal distribution of roles between the various levels of government.

In light of the international experiences, a framework for management has been reached to combat poverty system: (1) the central government determines the legal framework for the targeting system including programs and criteria for selecting the eligible. (2) the elected local authority receives the targeting mechanisms and eligibility criteria from central government, and also collects data for the initial targeting process and choosing the eligible. These data are reviewed through all levels of government from lowest to highest through sample inspection. (3) the local government determines the priorities of the needs for combating poverty in the local area to instigate a range of programs that will depend on the different programs defined by law., They will use their experience to add or modify the criteria for determining the needy or eligible and to classify them to allow continuity of the program and with regard to the risks suffered by the local community. (4) automatic registration on a database visible to all levels of governments regarding every program in the state as a whole. (5) the formation of a central committee and groups of nongovernmental institutions to control the distribution process of entitlements. (6) the presence of a party is responsible for the integrated development plan for the family at the local level.

Also, analysis showed as well that Egypt's poverty eradication strategy lacked most of the building blocks to provide poor families with a sustainable path out of poverty. The most significant missing blocks were mainly institutional.

**Appendix tables: Questionnaire about the reasons for the effectiveness /ineffectiveness interventions to combat poverty**

**Table( A1) Ratios of distribution of sanitation problems afflicting the society across wealth quintiles**

| Governorate    |                                                           | poorest | poor | medium | rich | richest |
|----------------|-----------------------------------------------------------|---------|------|--------|------|---------|
| Kafr El-Sheikh | Existence of ponds around the house                       | 9.4     | 6.3  | 6.7    | 6.9  | 4.7     |
|                | Existence of ponds around the house or neighbor's house   | 37.5    | 31.5 | 25     | 13.8 | 29.7    |
|                | Existence of ponds around the house, neighbor's house and | 3.1     | 10.4 | 1.7    | 5.2  | 0       |
|                | Displaced cost can not be afforded with health problems   | 0       | 0    | 0      | 1.7  | 0       |
|                | No problems                                               | 5       | 52   | 67     | 72.5 | 65.6    |
|                | Total                                                     | 100     | 100  | 100    | 100  | 100     |
| Suhag          | Existence of ponds around the house                       | 13.8    | 1.4  | 0      | 3    | 0       |
|                | Existence of ponds around the house or neighbor's house   | 8.75    | 4.1  | 0      | 3    | 0       |
|                | Existence of ponds around the house, neighbor's house and | 0       | 0    | 0      | 1.5  | 1.6     |
|                | Displaced cost can not be afforded with health problems   | 1.3     | 0    | 0      | 3    | 0       |
|                | Existence of ponds and increasing displaced cost          | 1.3     | 0    | 1.7    | 0    | 16      |
|                | Displaced cost is the only problem                        | 43.8    | 37   | 59     | 46   | 34.4    |
|                | No problems                                               | 27.5    | 57.5 | 39     | 43.3 | 62      |
|                | Total                                                     | 100     | 100  | 100    | 100  | 100     |

**Table (A2) Rates of utilization of sewage projects across wealth quintiles**

| Governorate    |                                                                                                | poorest | poor | medium | rich | richest |
|----------------|------------------------------------------------------------------------------------------------|---------|------|--------|------|---------|
| Kafr El-Sheikh | The proportion of those who said they benefited from sewage projects established in the region | 72      | 78   | 64     | 89   | 76      |
| Suhag          |                                                                                                | 37      |      | 20     | 25   | 32      |

**Table ( A3) Nature of problems facing families involved in sanitation across the quintiles of wealth in both Governorates.**

| Governorate    |                                                          | poorest | poor | medium | rich | richest |
|----------------|----------------------------------------------------------|---------|------|--------|------|---------|
| Kafr El-Sheikh | Existence of ponds around the house                      | 14.3    | 5.4  | 6.5    | 4    | 5.2     |
|                | Existence of ponds around the house and neighbor's house | 14.3    | 30   | 11.2   | 10   | 8.8     |
| Suhag          | Existence of ponds around the house                      | 26.3    | 6    | 0      | 14   | 0       |
|                | Existence of ponds around the house and neighbor's house | 12      | 21   | 5.6    | 0    | 0       |

**Table ( A4) Utilization of the road paving projects**

| Governorate    |                                                                                 | poorest | poor | medium | rich | richest |
|----------------|---------------------------------------------------------------------------------|---------|------|--------|------|---------|
| Kafr El-Sheikh | Proportion of those who said they benefited from paving roads in their villages | 40      | 51   | 62     | 83   | 75      |
| Suhag          |                                                                                 | 88      | 75   | 84     | 80   | 68      |

**Table (6) Relative distribution for families of the sample, which has individuals enrolled in education (6-24 years) across the quintiles of wealth in both Governorates.**

| Governorate    |        | poorest | poor | medium | rich | richest |
|----------------|--------|---------|------|--------|------|---------|
| Kafr El-Sheikh | 0-25   | 1       | 0    | 0      | 0    | 0       |
|                | 25-50  | 17      | 3.5  | 5.4    | 3.4  | 3       |
|                | 50-75  | 22      | 41   | 24.3   | 31   | 27      |
|                | 75-100 | 61      | 55.5 | 8      | 8    | 7       |
|                | total  | 100     | 100  | 100    | 100  | 100     |
| Suhag          | 0-25   | 1.6     | 0    | 0      | 0    | 0       |
|                | 25-50  | 6.5     | 5.7  | 4.5    | 13.2 | 11      |
|                | 50-75  | 32.3    | 20.8 | 2.5    | 13.2 | 11.5    |
|                | 75-100 | 59.7    | 74   | 73     | 74   | 77      |
|                | total  | 100     | 100  | 100    | 100  | 100     |

| Table ( A6) Relative distribution for families of the sample, which has individuals enrolled in education (6-24 years) across the quintiles of wealth in both Governorates. |        |         |      |        |      |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|------|--------|------|---------|
| Governorate                                                                                                                                                                 |        | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                                                                                                              | 0-25   | 1       | 0    | 0      | 0    | 0       |
|                                                                                                                                                                             | 25-50  | 17      | 3.5  | 5.4    | 3.4  | 3       |
|                                                                                                                                                                             | 50-75  | 22      | 41   | 24.3   | 31   | 27      |
|                                                                                                                                                                             | 75-100 | 61      | 55.5 | 8      | 8    | 7       |
|                                                                                                                                                                             | total  | 100     | 100  | 100    | 100  | 100     |
| Suhag                                                                                                                                                                       | 0-25   | 1.6     | 0    | 0      | 0    | 0       |
|                                                                                                                                                                             | 25-50  | 6.5     | 5.7  | 4.5    | 13.2 | 11      |
|                                                                                                                                                                             | 50-75  | 32.3    | 20.8 | 2.5    | 13.2 | 11.5    |
|                                                                                                                                                                             | 75-100 | 59.7    | 74   | 73     | 74   | 77      |
|                                                                                                                                                                             | total  | 100     | 100  | 100    | 100  | 100     |

| Table ( A7) Proportion of families with cases of child leakage from education across the quintiles of wealth in both Governorates. |         |        |        |      |         |
|------------------------------------------------------------------------------------------------------------------------------------|---------|--------|--------|------|---------|
| Governorate                                                                                                                        | poorest | poor   | medium | rich | richest |
| Kafr El-Sheikh                                                                                                                     | 9%      | 18.50% | 15%    | 18   | 9%      |
| Suhag                                                                                                                              | 28%5    | 15%    | 17%    | 13%  | 14%     |

| Table (A8) Relative distribution for sample families according to percentage of leak of individuals (6-24 years) across the quintiles of wealth in both Governorates. |                                |         |         |         |         |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------|---------|---------|---------|---------|
| Governorate                                                                                                                                                           | Categories according to income | poorest | poor    | medium  | rich    | richest |
| Kafr El-Sheikh                                                                                                                                                        | 25-50                          |         | 55.60%  | 33.30%  | 36.40%  | 16.70%  |
|                                                                                                                                                                       | 50-75                          | 33.30%  |         | 33.30%  | 27.30%  | 16.70%  |
|                                                                                                                                                                       | 75-100                         | 66.70%  | 44.40%  | 33.30%  | 36.40%  | 66.70%  |
|                                                                                                                                                                       |                                | 100     | 100     | 100.00% | 100.00% | 100.00% |
| Suhag                                                                                                                                                                 | less than 25                   | 28%     | 45.50%  | 20%     | 12.50%  | 12.50%  |
|                                                                                                                                                                       | 25-50                          | 40%     | 27.30%  | 20%     | 37.50%  | 62.50%  |
|                                                                                                                                                                       | 50-75                          | 20%     | 9.10%   | 40%     | 25%     | 25%     |
|                                                                                                                                                                       | 75-100                         | 12%     | 18.20%  | 20%     | 25%     |         |
|                                                                                                                                                                       | total                          | 100%    | 100.00% | 100%    | 100.00% | 100.00% |

| Table (A9) Ratios of the sample families according to the reasons for non-enrollment of individuals in education (6-24years) distributed across the quintiles of wealth in both Governorates. |                                                          |         |      |        |      |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------|------|--------|------|---------|
| Governorate                                                                                                                                                                                   |                                                          | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                                                                                                                                | Assistance in housing works                              |         | 25   |        |      | 10      |
|                                                                                                                                                                                               | No money                                                 | 33.2    | 50   | 66.7   |      |         |
|                                                                                                                                                                                               | Unwillingness of parents                                 | 66.7    | 25   |        |      |         |
|                                                                                                                                                                                               | Existence of disability                                  |         |      | 33.3   | 33.3 | 5       |
|                                                                                                                                                                                               | Individual has not reached age six at time of submission |         | 25   |        | 66.8 | 58      |
| SUhag                                                                                                                                                                                         | Work                                                     | 10      | 11.1 |        |      |         |
|                                                                                                                                                                                               | Assistance in housing works                              |         | 20.2 | 40.6   |      | 50      |
|                                                                                                                                                                                               | No money                                                 | 30      | 33.3 | 20     | 33.3 |         |
|                                                                                                                                                                                               | Unwillingness of parents                                 | 10      | 11.1 |        | 33.3 |         |
|                                                                                                                                                                                               | Individual has no desire                                 | 10      | 11.1 |        | 20   | 50      |
|                                                                                                                                                                                               | Weak level of achievement                                |         |      | 11.1   |      |         |
|                                                                                                                                                                                               | Existence of disability                                  |         | 10.2 |        |      |         |
|                                                                                                                                                                                               | Individual has not reached age six at time of submission | 40      | 11.1 | 11.1   | 33.3 |         |

| Table (A10) Ratio of families that receive subsidies across the quintiles of wealth in both Governorates. |                                                |         |      |        |      |         |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------|---------|------|--------|------|---------|
| Governorate                                                                                               |                                                | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                                            | Government subsidy for study (school expenses) | 5.6     | 6.9  | 0      | 0    | 0       |
|                                                                                                           | Aid study from NGO                             | 0       | 3.4  | 2.7    | 0    | 0       |
|                                                                                                           | Families depend on goodwill aid only           | 5.6     | 7    | 5.5    | 0    | 0       |
| SUhag                                                                                                     | Government subsidy for study (school expenses) | 5       | 2    | 0      | 2    | 4       |
|                                                                                                           | Aid study from NGO                             | 3.2     | 4    | 0      | 4    | 0       |
|                                                                                                           | Families depend on two types of aids           | 11      | 2    | 0      | 0    | 0       |
|                                                                                                           | Families depend on goodwill aid only           | 10      | 14   | 3      | 3    | 3       |

| Table (A11) Ratio of families according to the reasons for not taking advantage of health service unit across the quintiles of wealth in both Governorates |                                 |         |      |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------|------|--------|
| Governorate                                                                                                                                                | Reasons for non-benefit         | poorest | poor | medium |
| Kafr El-Sheikh                                                                                                                                             | Poor condition of the buildings | 7.70%   |      | 13.60% |
|                                                                                                                                                            | Lack of equipment               | 38.50%  | 20%  | 56.10% |
|                                                                                                                                                            | Lack of service provider        | 15.40%  | 31%  | 81.80% |
|                                                                                                                                                            | Weakness of workers' efficiency | 93.30%  | 68%  | 54.50% |
|                                                                                                                                                            | Bad management                  |         | 16%  |        |
|                                                                                                                                                            | Poor cleanliness                |         | 4%   | 9.10%  |
|                                                                                                                                                            | Overcrowding                    | 77%     |      | 4.50%  |
|                                                                                                                                                            | High cost of obtaining service  |         |      |        |
|                                                                                                                                                            | No need of of service           |         | 4%   |        |
| SUhag                                                                                                                                                      | Not subscribing to service      |         |      |        |
|                                                                                                                                                            | Poor condition of the buildings | 4.20%   | 10%  | 15.40% |
|                                                                                                                                                            | Lack of equipment               | 39.60%  | 25%  | 3.80%  |
|                                                                                                                                                            | Lack of service provider        | 39.10%  | 35%  | 23.10% |
|                                                                                                                                                            | Weakness of workers' efficiency | 42.50%  | 55%  | 94.60% |
|                                                                                                                                                            | Bad management                  | 8.70%   |      |        |
|                                                                                                                                                            | Poor cleanliness                | 4.30%   |      | 3.80%  |
|                                                                                                                                                            | Overcrowding                    | 8.70%   | 10%  | 3.80%  |
|                                                                                                                                                            | High cost of obtaining service  | 8.70%   | 5%   |        |
| SUhag                                                                                                                                                      | No need of of service           | 4.30%   | 15%  | 3.80%  |
|                                                                                                                                                            | Not subscribing to service      |         |      | 3.80%  |

| Table (A12) Ratio of families according to the reasons not to take advantage of health service unit across the quintiles of wealth in both Governorates |                                 |                   |        |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------|--------|--------|
| Governorate                                                                                                                                             | Reasons for non benefit         | wealth categories |        |        |
| Kafr El-Sheikh                                                                                                                                          |                                 | poorest           | poor   | medium |
|                                                                                                                                                         | Lack of equipment               | 5.30%             | 17.30% | 25%    |
|                                                                                                                                                         | Lack of service provider        | 10.50%            | 31.80% | 25%    |
|                                                                                                                                                         | Poor worker efficiency          | 21.10%            | 22.70% | 31.30% |
|                                                                                                                                                         | Bad management                  |                   | 4.50%  | 6.30%  |
|                                                                                                                                                         | Poor cleanliness                |                   |        | 12.50% |
|                                                                                                                                                         | Overcrowding                    |                   |        |        |
|                                                                                                                                                         | No need of service              | 73.70%            | 4.90%  | 50%    |
| Suhag                                                                                                                                                   | Poor condition of the buildings |                   | 14.80% | 25%    |
|                                                                                                                                                         | Lack of equipment               | 5%                | 3.70%  | 6.30%  |
|                                                                                                                                                         | Extent of the lack of service   | 5%                | 11.10% | 25%    |
|                                                                                                                                                         | Poor worker efficiency          | 5%                | 11.10% | 25%    |
|                                                                                                                                                         | Bad management                  |                   | 3.70%  |        |
|                                                                                                                                                         | Overcrowding                    |                   | 7.40%  |        |



**Table (A13) Ratio of families according to the reasons not to take advantage of a government hospital across the quintiles of wealth in both Governorates**

| Governorate    | Reasons for non benefit         | poorest | poor   | medium |
|----------------|---------------------------------|---------|--------|--------|
| Kafr El-Sheikh | Lack of equipment               | 75%     | 40%    |        |
|                | Lack of service provider        | 75%     | 40%    | 143%   |
|                | Poor worker efficiency          | 25%     | 60%    | 80.70% |
|                | Bad management                  |         | 20%    |        |
|                | Poor cleanliness                |         |        |        |
|                | Overcrowding                    | 25%     |        |        |
|                | High cost of obtaining service  |         |        |        |
|                | No need of service              | 25%     |        | 14.30% |
| Suhag          | Poor condition of the buildings |         | 16.70% |        |
|                | Lack of equipment               | 25%     | 16.70% |        |
|                | Extent of the lack of service   | 50%     | 16.70% | 20%    |
|                | Poor worker efficiency          | 5%      | 33.30% | 20%    |
|                | Bad management                  |         |        | 40%    |
|                | Overcrowding                    | 25%     | 33.30% |        |
|                | No need of service              | 25%     | 16.70% | 20%    |

**Table (A14) Ratio of families according to the reasons not to take advantage from clinic or hospital for health insurance services quintiles of wealth in both Governorates**

| Governorate    | Reasons for non benefit    | poorest | poor   | medium | rich   | richest | total  |
|----------------|----------------------------|---------|--------|--------|--------|---------|--------|
| Kafr El-Sheikh | Lack of equipment          | 0.00%   | 25%    | 42.90% | 66.70% | 66.70%  | 24.60% |
|                | Lack of service provider   | 15.40%  | 25.00% | 21.40% | 50%    | 66.70%  | 41.90% |
|                | Poor worker efficiency     | 38.50%  | 25.00% | 28.60% | 50%    | 44.40%  | 27.20% |
|                | Bad management             | 7.70%   | 25.00% | 10.30% |        | 11.10%  | 11.60% |
|                | Poor cleanliness           |         |        |        |        | 11.10%  | 2.30%  |
|                | Overcrowding               |         | 12.50% | 14.30% |        | 0%      | 4.70%  |
|                | No need of service         | 7.70%   | 12.50% | 14.30% |        | 11.10%  | 9.30%  |
|                | Not subscribing to service | 5.20%   | 29.00% | 5%     | 43.30% | 11.10%  | 25.60% |
| Suhag          | Lack of equipment          |         | 44.40% | 35.30% |        |         | 15.40% |
|                | Lack of service provider   | 9.10%   |        |        |        | 14.30%  | 5.10%  |
|                | Poor worker efficiency     |         | 22.20% |        |        | 14.30%  | 7.70%  |
|                | Bad management             |         |        | 16.70% | 16.70% |         | 5.10%  |
|                | Overcrowding               |         | 22.20% | 33.30% | 16.70% |         | 12.80% |
|                | No need of service         | 14.20%  | 20.20% |        |        | 42.90%  | 17.90% |
|                | Not subscribing to service | 22.70%  | 10.30% | 50%    | 16.70% | 25.60%  | 51.30% |

**Table (A15) Relative distribution for sample families who had gone to government site according and the reasons across the quintiles of wealth in both Governorates.**

| Governorate    |                                                      | poorest | poor   | medium | rich   | richest |
|----------------|------------------------------------------------------|---------|--------|--------|--------|---------|
| Kafr El-Sheikh | Low cost                                             | 85.70%  | 82.40% | 77.80% | 66.70% | 60.50%  |
|                | Good service                                         |         | 20.60% | 20%    | 25%    | 18.40%  |
|                | Proximity / transport exists                         | 81%     | 41.20% | 24.40% | 25%    | 28.90%  |
|                | There is a female to provide the service             |         |        | 20%    | 11.10% | 13.20%  |
|                | Diagnostics and test are expensive                   |         | 20.60% |        | 8.30%  | 5.30%   |
|                | Clean medical units                                  |         | 2.90%  | 2.20%  |        | 2.60%   |
|                | Good treatment                                       |         | 2.90%  | 6.70%  | 8.30%  | 10.50%  |
|                | All specialties exist                                |         | 14.70% | 6.70%  | 22.20% | 10.50%  |
|                | Availability of medicines                            |         |        | 2.20%  | 2.80%  | 2.60%   |
|                | Availability of vaccination                          |         | 5.90%  | 4.40%  | 5.60%  | 7.90%   |
| Suhag          | Low cost                                             | 96.10%  | 89.60% | 87.20% | 69.60% | 87.80%  |
|                | Good service                                         | 13.20%  | 14.90% | 21.30% | 19.60% | 16.30%  |
|                | Proximity / transport exists                         | 44.70%  | 43.30% | 40.40% | 57.10% | 53.10%  |
|                | There is a female to provide the service             |         |        | 2.10%  | 2%     | 0.70%   |
|                | Diagnostics and test are expensive                   | 13.20%  | 6%     | 2.10%  | 8.90%  | 10.20%  |
|                | Clean medical units                                  | 10.50%  | 3%     | 2.10%  | 5.40%  | 8.20%   |
|                | Good treatment                                       | 2.60%   | 1.50%  |        | 3.60%  | 2%      |
|                | All specialties exist                                | 6.60%   | 9%     | 4.30%  | 7.10%  | 8.20%   |
|                | Availability of medicines                            |         | 19.40% | 23.40% | 8.90%  | 12.20%  |
|                | Availability of vaccination                          | 1.30%   |        | 2.10%  | 3.60%  | 2%      |
|                | Treatment at the expense of state (health insurance) | 5.30%   | 4.50%  | 4.30%  | 10.70% | 10.20%  |

**Table (A16) Monthly cost of treatment across wealth quintiles**

| Governorate    |                                   | poorest | poor    | medium | rich    | richest |
|----------------|-----------------------------------|---------|---------|--------|---------|---------|
| Kafr El-Sheikh | The monthly cost of treatment (£) | 50-100  | 100-200 | 100    | 50-100  | 100     |
| Suhag          |                                   | 100-200 | 100-200 | 30-500 | 100-200 | 100     |



| <b>Table (A17) Ratio of Families that receive subsidies across wealth</b> |         |      |        |      |         |
|---------------------------------------------------------------------------|---------|------|--------|------|---------|
| Governorate                                                               | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                            | 0       | 0    | 2      | 0    | 0       |
|                                                                           | 3.2     | 2.2  | 0      | 0    | 0       |
|                                                                           | 0       | 0    | 0      | 0    |         |
|                                                                           | 0       | 0    | 0      |      |         |
| Sohag                                                                     | 1.4     |      |        |      | 2       |
|                                                                           | 4.8     | 0    | 0      | 0    |         |
|                                                                           | 3.6     | 2.8  |        |      |         |
|                                                                           | 5       | 1.2  | 1.4    | 0    | 0       |

| <b>Table (A18) Benefits ratios of subsidized bread across wealth quintiles</b> |             |         |      |        |      |         |
|--------------------------------------------------------------------------------|-------------|---------|------|--------|------|---------|
| Governorate                                                                    |             | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                 | Yes totally | 38      | 19   | 30     | 34   | 27      |
|                                                                                | Yes partly  | 41      | 69   | 62     | 56   | 15      |
|                                                                                | No          | 22      | 12   | 8      | 10   | 9       |
| Suhag                                                                          | Yes totally | 51      | 41   | 60     | 38   | 20      |
|                                                                                | Yes partly  | 45      | 50   | 37     | 50   | 53      |
|                                                                                | No          | 3       | 9    | 3      | 11   | 27      |

| <b>Table (A19) Average number of loaves consumed across wealth quintiles</b> |                                     |         |      |        |      |         |
|------------------------------------------------------------------------------|-------------------------------------|---------|------|--------|------|---------|
| Governorate                                                                  |                                     | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                               | average number of subsidized loaves | 14      | 14   | 12     | 12   | 13      |
| Suhag                                                                        | consumed by the family daily        | 23      | 23   | 25     | 24   | 24      |

| <b>Table (A21) Reasons for refraining from loans across wealth quintiles</b> |                                             |                  |      |        |      |         |
|------------------------------------------------------------------------------|---------------------------------------------|------------------|------|--------|------|---------|
| Governorate                                                                  |                                             | wealth quintiles |      |        |      |         |
|                                                                              |                                             | poorest          | poor | medium | rich | richest |
| Kafr El-Sheikh                                                               | Increasing interest rate                    | 51%              | 72%  | 69%    | 60%  | 51%     |
|                                                                              | Lack of skill required by the project       | 25%              | 16%  | 9%     | 10%  | 4%      |
|                                                                              | Loan is religiously forbidden               | 18%              | 15%  | 3%     | 44%  | 36%     |
|                                                                              | Market recession is difficult projects      | 29%              | 40%  | 12%    | 10%  | 14%     |
| Suhag                                                                        | increasing interest rate                    | 74%              | 75%  | 70%    | 67%  | 67%     |
|                                                                              | Lack of skill required by the project       | 16%              | 16%  | 7.60%  | 4%   | 5%      |
|                                                                              | Loans is religiously                        | 21%              | 12%  | 9%     | 5%   | 3%      |
|                                                                              | Market recession / difficult to start proje | 6%               | 8%   | 33%    | 18%  | 19%     |

| <b>Table (A22) Actual obtained loans across wealth quintiles</b> |                   |         |      |        |      |         |
|------------------------------------------------------------------|-------------------|---------|------|--------|------|---------|
| Governorate                                                      |                   | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                   | Already have loan | 9       | 17   | 17     | 7    | 14      |
| Suhag                                                            | Already have loan | 10      | 9    | 10     | 12   | 26      |

| <b>Table (A23) Preferred places of borrowing from families thinking of borrowing across wealth quintiles</b> |                                              |                  |       |        |      |         |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------|-------|--------|------|---------|
| Governorate                                                                                                  |                                              | wealth quintiles |       |        |      |         |
|                                                                                                              |                                              | poorest          | poor  | medium | rich | richest |
| Kafr El-Sheikh                                                                                               | Development and Agricultural Credit bank     | 3%               | 16%   | 13%    | 12%  | 17%     |
|                                                                                                              | Social Fund for Development                  | 6%               | 4%    | 3%     | 7%   | 5%      |
|                                                                                                              | NGO or civil society organization            | 3%               | 2%    | 0%     | 2%   | 2%      |
|                                                                                                              | Government loans from local development fund | 1%               | 0%    | 10%    | 3%   | 2%      |
|                                                                                                              | Commercial Bank                              | 0%               | 4%    | 7%     | 5%   | 8%      |
| Suhag                                                                                                        | Development and Agricultural Credit bank     | 1%               | 5.30% | 5%     | 8%   | 18%     |
|                                                                                                              | Social Fund for Development                  | 8%               | 10%   | 10%    | 13%  | 16%     |
|                                                                                                              | NGO or civil society organization            | 23%              | 25%   | 17%    | 13%  | 11%     |
|                                                                                                              | Government loans from local development fund | 4%               | 1.30% | 1%     | 5%   | 3%      |
|                                                                                                              | Commercial Bank                              | 4%               | 1.30% | 5%     | 3%   | 6%      |

**Table (A24) Ratios of the effectiveness of loans to improve the quality of life across wealth quintiles**

| Governorate    | Benefit from the loan | wealth quintiles |      |         |      |         |
|----------------|-----------------------|------------------|------|---------|------|---------|
|                |                       | poorest          | poor | medium  | rich | richest |
| Kafr El-Sheikh | The first loan        | 0%               | 40%  | 40%     | 100% | 65%     |
|                | The second loan       | 0%               | 0%   | 33%     | 34%  | 20%     |
|                | The third loan        | 0                | 0    | 100%    | 0    | 20%     |
| Suhag          | The first loan        | 33%              | 28%  | 35%     | 25%  | 7%      |
|                | The second loan       | 0%               | 50%  | None    |      | 100%    |
|                | The third loan        |                  |      | receive | 0%   | 100%    |

**Table (A25) Main reasons for ineffectiveness of loans to improve the quality of life across wealth quintiles**

| Sohag                                                                                                                        |                                                                                                             | Kafr El-Sheikh                                                                                                               |                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| the poor                                                                                                                     | the poorest                                                                                                 | the poor                                                                                                                     | the poorest                                                                                                                  |
| the Premiums and interest were too high and the need to sell an asset to repay the value of a previous loan                  | the Premiums and interest were too high and the need to sell an asset to repay the value of a previous loan | Used the loan to purchase the nessary consumption needs of the family                                                        | Used the loan to repay the value of a previous loan                                                                          |
| Used the loan to repay the value of a previous loan                                                                          | Used the loan to repay the value of a previous loan                                                         | Used the loan to repay the value of a previous loan                                                                          | Used for the marriage of a son and needed to borrow more                                                                     |
| Value of the loan, which was approved from the lender was not used for the specific project and no follow up from the lender | Used the loan to purchase the nessary consumption needs of the family                                       | Value of the loan, which was approved from the lender was not used for the specific project and no follow up from the lender | Value of the loan, which was approved from the lender was not used for the specific project and no follow up from the lender |

**Table (A26) The current holding of social security pension and child pension across wealth quintiles**

| Governorate    |                                                                  | wealth quintiles |      |        |      |         |
|----------------|------------------------------------------------------------------|------------------|------|--------|------|---------|
|                |                                                                  | poorest          | poor | medium | rich | richest |
| Kafr El-Sheikh | the current holding of social security pension and child pension | 20%              | 30%  | 20%    | 12%  | 21%     |
| Suhag          |                                                                  | 20%              | 27%  | 27%    | 13%  | 9.50%   |

**Table (A27) Relative distribution of sample families according to whether the family received social security pension and child pension across wealth quintiles**

| Governorate            |                                                          | Families taking social security pension and child pension |        |         |        |         |        |
|------------------------|----------------------------------------------------------|-----------------------------------------------------------|--------|---------|--------|---------|--------|
|                        |                                                          | total                                                     |        | No      |        | yes     |        |
|                        |                                                          | %                                                         | Number | %       | Number | %       | Number |
| Kafr El-Sheikh         | Families with members less than 18 or over 60 years      | 13.90%                                                    | 38     | 13.70%  | 30     | 14.80%  | 8      |
|                        | Families with members less than 18 but not over 60 years | 53.10%                                                    | 145    | 60.30%  | 132    | 24.10%  | 13     |
|                        | Families without members less than 18 but are over 60    | 20.50%                                                    | 56     | 20.10%  | 44     | 22.20%  | 12     |
|                        | Families with less than 18 and over 60 years             | 12.50%                                                    | 34     | 5.90%   | 13     | 38.90%  | 21     |
|                        | Total Families                                           | 100%                                                      | 273    | 100.00% | 219    | 100%    | 54     |
| Suhag                  | Families with members less than 18 or over 60 years      | 6.80%                                                     | 24     | 6.40%   | 18     | 8.70%   | 6      |
|                        | Families with members less than 18 but not over 60 years | 71.30%                                                    | 251    | 77.40%  | 219    | 46.40%  | 32     |
|                        | Families without members less than 18 but are over 60    | 8.20%                                                     | 29     | 4.20%   | 12     | 24.60%  | 17     |
|                        | Families with less than 18 and over 60 years             | 13.60%                                                    | 48     | 12.00%  | 34     | 20.30%  | 14     |
|                        | Total Families                                           | 100%                                                      | 352    | 100.00% | 283    | 100.00% | 69     |
| Kafr El-Sheikh & Suhag | Families with members less than 18 or over 60 years      | 10.10%                                                    | 62     | 9.80%   | 48     | 11.40%  | 14     |
|                        | Families with members less than 18 but not over 60 years | 64.40%                                                    | 396    | 71.30%  | 351    | 36.60%  | 45     |
|                        | Families without members less than 18 but are over 60    | 12.20%                                                    | 75     | 9.30%   | 46     | 23.60%  | 29     |
|                        | Families with less than 18 and over 60 years             | 13.30%                                                    | 82     | 9.60%   | 47     | 28.50%  | 35     |
|                        | Total Families                                           | 100.00%                                                   | 615    | 100.00% | 492    | 100.00% | 123    |

| <b>Table (A28) Degree of exposure to the risks adversely affecting the economic situation across wealth quintiles</b> |                                                              |         |      |        |      |         |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------|------|--------|------|---------|
| Governorate                                                                                                           | Proportion of recipients of loans to small business projects | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                                                        | Yes family subjected to risks                                | 41      | 46   | 46     | 22   | 17      |
| Suhag                                                                                                                 |                                                              | 23      | 24   | 31     | 18   | 19      |

| <b>Table (A29) Most important types of risks adversely affecting the economic situation across wealth quintiles</b> |                                                   |                   |        |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------|--------|
| Governorate                                                                                                         | Kind of risk                                      | wealth categories |        |
|                                                                                                                     |                                                   | poor              | medium |
| Kafr El-Sheikh                                                                                                      | Head of the family illness or death               | 48%               | 29%    |
|                                                                                                                     | Unemployment of a family member                   | 10%               | 24%    |
|                                                                                                                     | Other family illness (not the head of the family) | 10%               | 0%     |
| Suhag                                                                                                               | Head of the family illness or death               | 17%               | 31%    |
|                                                                                                                     | Other family illness (not the head of the family) | 37%               | 26%    |
|                                                                                                                     | Unemployment of the head of the family            | 5%                | 0%     |
|                                                                                                                     | Emigration of the head of the family              | 5%                | 0%     |

| <b>Table (A30) Most important patterns to deal with the risks affecting the Egyptian case across wealth quintiles</b> |                                                           |                  |      |        |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------|------|--------|
| Governorate                                                                                                           |                                                           | wealth quintiles |      |        |
|                                                                                                                       |                                                           | poorest          | poor | medium |
| Kafr El-Sheikh                                                                                                        | Borrowed from neighbours                                  | 40%              | 38%  | 6%     |
|                                                                                                                       | Borrowed from relatives and acquaintances                 | 30%              | 20%  | 12%    |
|                                                                                                                       | Borrowed from relatives and reduced treatment allocations | 16%              | 14%  | 8%     |
|                                                                                                                       | Took a loan from a charitable organization                | 14%              | 16%  | 16%    |
| Suhag                                                                                                                 | Borrowed from relatives and acquaintances                 | 40%              | 60%  | 30%    |
|                                                                                                                       | Charitable aid                                            | 10%              | 0%   | 0%     |
|                                                                                                                       | Reduced treatment allocations                             | 9%               | 12%  | 0%     |
|                                                                                                                       | Children removed from school                              | 8%               | 0%   | 0%     |
|                                                                                                                       | Sons reduced eating and drinking                          | 5%               | 3%   | 0%     |

| <b>Table (A31) Ratios of sample families according to their answers on the most important components of the spending on student education and the most influential in the decision to continue studies across wealth quintiles</b> |                                                      |         |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------|--------|
| Governorate                                                                                                                                                                                                                        |                                                      | poorest | poor   |
| Kafr El-Sheikh                                                                                                                                                                                                                     | Transportation cost                                  | 5.60%   | 12.70% |
|                                                                                                                                                                                                                                    | Annual fees                                          | 16.70%  | 20.70% |
|                                                                                                                                                                                                                                    | Books                                                | 77.80%  | 55.20% |
|                                                                                                                                                                                                                                    | Private lessons and private groups lessons in school | 94.40%  | 79.20% |
|                                                                                                                                                                                                                                    | Uniforms                                             | 5.60%   | 24.10% |
| Sohag                                                                                                                                                                                                                              | Transportation cost                                  | 1.60%   | 3.80%  |
|                                                                                                                                                                                                                                    | Annual fees                                          | 25.80%  | 34.00% |
|                                                                                                                                                                                                                                    | Books                                                | 46.80%  | 54.70% |
|                                                                                                                                                                                                                                    | Private lessons and private groups lessons in school | 43.50%  | 49.10% |
|                                                                                                                                                                                                                                    | Uniforms                                             | 82.30%  | 58.50% |

| <b>Table (A32) Ratios of sample households according to their view of most costly health items across wealth quintiles</b> |                                      |         |      |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|------|
| Governorate                                                                                                                |                                      | poorest | poor |
| Kafr El-Sheikh                                                                                                             | Detection as the most important item | 0       | 2    |
|                                                                                                                            | Medicines as the most important item | 100     | 93   |
|                                                                                                                            | Diagnostics and tests                | 0       | 2    |
| SUhag                                                                                                                      | Detection as the most important item | 10      | 13   |
|                                                                                                                            | Medicines as the most important item | 70      | 70   |
|                                                                                                                            | Diagnostics and tests                | 20      | 16   |

| <b>Table (A32) Ratios of sample households according to their view of most costly health items across wealth quintiles</b> |                                      |         |      |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|------|
| Governorate                                                                                                                |                                      | poorest | poor |
| Kafr El-Sheikh                                                                                                             | Detection as the most important item | 0       | 2    |
|                                                                                                                            | Medicines as the most important item | 100     | 93   |
|                                                                                                                            | Diagnostics and tests                | 0       | 2    |
| Suhag                                                                                                                      | Detection as the most important item | 10      | 13   |
|                                                                                                                            | Medicines as the most important item | 70      | 70   |
|                                                                                                                            | Diagnostics and tests                | 20      | 16   |

| <b>Table (A33) Ratio of unemployment between family members across wealth quintiles</b> |         |         |      |        |      |         |
|-----------------------------------------------------------------------------------------|---------|---------|------|--------|------|---------|
| Governorate                                                                             |         | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                          | Number  | 42      | 46   | 42     | 38   | 31      |
| Suhag                                                                                   | unemplo | 29      | 28   | 32     | 25   | 22      |

| <b>Table (A34) Reasons for the lack of work across wealth quintiles in both Governorates.</b> |                                                 |         |      |        |      |         |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------|---------|------|--------|------|---------|
| Governorate                                                                                   |                                                 | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                                | Always refused - no reason given                | 58      | 42   | 25     | 16   | 15      |
|                                                                                               | Rejection due to lack of support from a sponsor | 28      | 32   | 20     | 20   | 12      |
|                                                                                               | Work available does not fit skill               | 25      | 28   | 8      | 7    | 2       |
|                                                                                               | Stopped search and prepared to emigrate         | 8       | 5    | 0      | 0    | 0       |
|                                                                                               | Low wage not sufficient to support family       | 0       | 0    | 5      | 25   | 28      |
| Suhag                                                                                         | Always refused - no reason given                | 29      | 28   | 32     | 25   | 21      |
|                                                                                               | Rejection due to lack of support from a sponsor | 32      | 26   | 24     | 32   | 47      |
|                                                                                               | Work available does not fit skill               | 20      | 46   | 20     | 21   | 12      |
|                                                                                               | Stopped search and prepared to emigrate         | 0       | 0    | 0      | 0    | 0       |
|                                                                                               | Low wage not sufficient to support family       | 16      | 12   | 7      | 6    | 9       |

| <b>Table (A35) Economic activity that the family can do to improve the standard of living</b> |                        |                                                                                              |                                                                                      |
|-----------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Suhag                                                                                         |                        | Kafr El-Sheikh                                                                               |                                                                                      |
| poor                                                                                          | poorest                | poor                                                                                         | poorest                                                                              |
| Opening of small shops                                                                        | Opening of small shops | Opening grocery store                                                                        | Opening grocery store                                                                |
| Reclamation of land                                                                           | Reclamation of land    | Opening blacksmith workshops and selling products; run with graduates from technical schools | Livestock breeding and fattening calves / dairy factories or food crops              |
| Carpentry workshop                                                                            | Carpentry workshop     | Livestock breeding and fattening calves / dairy factories or food crops                      | Opening blacksmith workshops and selling products; run with graduates from technical |

| <b>Table (A36) The highest five procedures to improve the economic situation in two governorates</b> |                                                                   |                                                                   |                                                                   |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Suhag                                                                                                |                                                                   | Kafr El-Sheikh                                                    |                                                                   |
| poor                                                                                                 | poorest                                                           | poor                                                              | poorest                                                           |
| Providing suitable job opportunities within the                                                      | Providing suitable job opportunities within the governorate       | Providing suitable job opportunities within the governorate       | Providing suitable job opportunities within the governorate       |
| Provide appropriate, quality health treatment at a suitable price                                    | Provide appropriate, quality health treatment at a suitable price | Provide appropriate, quality health treatment at a suitable price | Provide appropriate, quality health treatment at a suitable price |
| Provision of sewage network                                                                          | Granting land reclamation for youth                               | Granting land reclamation for youth                               | Granting land reclamation for youth                               |
| Improve local roads and paving                                                                       | Proper education with suitable cost for children                  | Improve local roads and paving                                    | Proper education with suitable cost for children                  |
|                                                                                                      | Provision of sewage network                                       | Provision of sewage network                                       | Improve local roads and paving                                    |

| <b>Table (A37) Relative distribution of answers of sample families on the most important action to take the poor out of poverty and improve their economic situation</b> |                                                                              |      |        |      |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------|--------|------|---------|
| Governorate                                                                                                                                                              | Most important action                                                        | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                                                                                                           | Solving the problems of the agricultural sector                              | 0    | 0      | 36   |         |
|                                                                                                                                                                          | Provision of health care with high quality and at a suitable cost            | 15   | 25     | 15   | 12      |
|                                                                                                                                                                          | Provide loans to small and medium enterprises                                | 6    | 12     | 23   | 0       |
|                                                                                                                                                                          | The provision of sanitation                                                  | 7    | 16     | 0    | 0       |
|                                                                                                                                                                          | Improving roads and paving                                                   | 7    | 0      | 0    | 0       |
|                                                                                                                                                                          | provision of appropriate jobs suitable for the skills within the governorate | 62   | 25     | 23   | 62      |
|                                                                                                                                                                          | Improve the quality of education                                             | 0    | 12     | 7    | 0       |
| Suhag                                                                                                                                                                    | Grant reclaimed land for the youth to cultivate and facilitate it for them   | 0    | 8.5    | 15   | 25      |
|                                                                                                                                                                          | Solving the problems of the agricultural sector                              | 5    | 0      | 11   | 0       |
|                                                                                                                                                                          | Provision of health care with high quality and at a suitable cost            | 10   | 12     | 11   | 0       |
|                                                                                                                                                                          | Provide loans to small and medium enterprises                                | 0    | 0      | 0    | 0       |
|                                                                                                                                                                          | The provision of sanitation                                                  | 5    | 0      | 0    | 33      |
|                                                                                                                                                                          | Improving roads and paving                                                   | 10   | 0      | 0    | 0       |
|                                                                                                                                                                          | provision of appropriate jobs suitable for the skills within the governorate | 70   | 75     | 40   | 39      |
|                                                                                                                                                                          | Improve the quality of education                                             | 0    | 6      | 0    | 0       |
|                                                                                                                                                                          | Grant reclaimed land for the youth to cultivate and facilitate it for them   | 0    | 0      | 0    | 0       |

| <b>Table (A38) Least important action in combating poverty from the perspective of the poor and the poorest</b> |                                                  |                                                  |                                                  |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Sohag                                                                                                           |                                                  | Kafr El-Sheikh                                   |                                                  |
| poor                                                                                                            | poorest                                          | poor                                             | poorest                                          |
| Travelling abroad for work or immigration                                                                       | Travelling abroad for work or immigration        | Travelling abroad for work or immigration        | Travelling abroad for work or immigration        |
| Providing loans for small projects with interest                                                                | Providing loans for small projects with interest | Providing loans for small projects with interest | Providing loans for small projects with interest |

| <b>Table (A39) Integrated procedures associated with the five most important actions to improve the economic situation of the family from the perspective of the poor and the poorest (as demanded by the poor and the percentage that has actually been done)</b> |                                                             |                                                                                                                                                                                            |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| (A) The needs of the poor in Kafr El-Sheikh                                                                                                                                                                                                                        |                                                             | (B) Actual implementation of the needs of the poor in Kafr El-Sheikh (the percentage of who said that no projects of any kind were developed in the areas viewed as more important in (A)) |         |
| poor                                                                                                                                                                                                                                                               | poorest                                                     | poor                                                                                                                                                                                       | poorest |
| Providing suitable job opportunities within the governorate                                                                                                                                                                                                        | Providing suitable job opportunities within the governorate | 100%                                                                                                                                                                                       | 100%    |
| Development of primary and curative health services                                                                                                                                                                                                                | Development of primary and curative health services         | 90%                                                                                                                                                                                        | 96%     |
| Granting reclamation land for the youth                                                                                                                                                                                                                            | Granting reclamation land for the youth                     | 100%                                                                                                                                                                                       | 100%    |
| Improve local roads and paving                                                                                                                                                                                                                                     | Proper education at a suitable cost for children            | 90%                                                                                                                                                                                        | 85%     |
| Extending the sewage network                                                                                                                                                                                                                                       | Improve local roads and paving                              | 30%                                                                                                                                                                                        | 85%     |
| (A) The needs of the poor in Sohag                                                                                                                                                                                                                                 |                                                             | (B) actual implementation of the needs of the poor in Sohag (the percentage of who said that no projects of any kind were developed in the areas viewed as more important in (A))          |         |
| Providing suitable job opportunities within the governorate                                                                                                                                                                                                        | Providing suitable job opportunities within the governorate | 100%                                                                                                                                                                                       | 100%    |
| Development of primary and curative health services                                                                                                                                                                                                                | Development of primary and curative health services         | 25%                                                                                                                                                                                        | 30%     |
| Extending the sewage network                                                                                                                                                                                                                                       | Granting reclamation land for the youth                     | 15%                                                                                                                                                                                        | 100%    |
| Improve local roads and paving                                                                                                                                                                                                                                     | Development of education services                           | 50%                                                                                                                                                                                        | 45%     |
|                                                                                                                                                                                                                                                                    | Extending the sewage network                                |                                                                                                                                                                                            | 25%     |

| <b>Table (A40) Number of responses to the question of the most important organisation that appreciates the needs of the people across wealth quintiles</b> |                                          |         |      |        |      |         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------|------|--------|------|---------|
| Governorate                                                                                                                                                |                                          | poorest | poor | medium | rich | richest |
| Kafr El-Sheikh                                                                                                                                             | None                                     | 42      | 45   | 25     | 20   | 32      |
|                                                                                                                                                            | Close NGO                                | 25      | 31   | 18     | 24   | 16      |
|                                                                                                                                                            | Mosque or Church                         | 0       | 21   | 11     | 13   | 18      |
|                                                                                                                                                            | Mosque or Church and NGO                 | 6.3     | 0    | 2      | 0    | 0       |
|                                                                                                                                                            | Social Solidarity Unit                   | 12      | 0    | 5      | 4    | 0       |
|                                                                                                                                                            | Local Unit and social solidarity unit    | 3       | 4    | 7      | 5    | 8       |
|                                                                                                                                                            | The Mayor                                | 0       | 0    | 0      | 0    | 0       |
|                                                                                                                                                            | Local Council                            | 0       | 0    | 0      | 0    | 2       |
|                                                                                                                                                            | Local Council and local unit together    | 0       | 0    | 5.5    | 2    | 0       |
|                                                                                                                                                            | All organisations                        | 7       | 6    | 2      | 24   | 18      |
| Suhag                                                                                                                                                      | None                                     | 11      | 13   | 12     | 5    | 14      |
|                                                                                                                                                            | Close NGO                                | 2.4     | 13   | 8      | 13   | 10      |
|                                                                                                                                                            | Mosque or Church                         | 2.4     | 2.7  | 15     | 5    | 5       |
|                                                                                                                                                            | Mosque or Church and NGO                 | 22      | 19   | 22     | 13   | 12      |
|                                                                                                                                                            | Social Solidarity Unit                   | 3.5     | 0    | 5      | 3    | 2       |
|                                                                                                                                                            | Local Unit and social solidarity unit    | 0       | 0    | 2      | 2    | 0       |
|                                                                                                                                                            | The Mayor                                | 0       | 1.3  | 0      | 0    | 0       |
|                                                                                                                                                            | Local Council                            | 1.1     | 0    | 4      | 0    | 0       |
|                                                                                                                                                            | Local Council and local unit together    | 1.2     | 0    | 4      | 0    | 0       |
|                                                                                                                                                            | Local council and social solidarity unit | 3.5     | 2.7  | 0      | 0    | 5.1     |
|                                                                                                                                                            | All organisations                        | 0       | 0    | 0      | 0    | 0       |

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# **“Social work in modern society for rural development”**

**-Case Study in Polonnaruwa district**

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## ABSTRACT

This research paper is investigated about how people should do social work in modern society an effective way for rural development. Research area was Polonnaruwa distric and selected group were who are between 16 to 24 years old. This is shown social work in modern society starts by starting personal development with Spiritual and economical development . Further research shows how importance of professional social workers' role to the society. Author argues about new concept of social work. It is, Sponsors' and benefiter's contribution should be flown to youths' personal development where is living in vulnerable areas who have needs to develop .Then professional social workers act a moderate role to develop youth's development by using sponsors' strength.

Research is done for youths. First there is a training program for them, next identify their needs and dreams by using evaluation tools. Then give them a helping hand to start their action plan for their dream according to outcome of evaluation. Author argues youth innovation is grown up against their dream commitment and therefore Sponsor-Social worker- Youths who have needs and dreams, are the triple sources for implementing social work process in modern society an effective way.

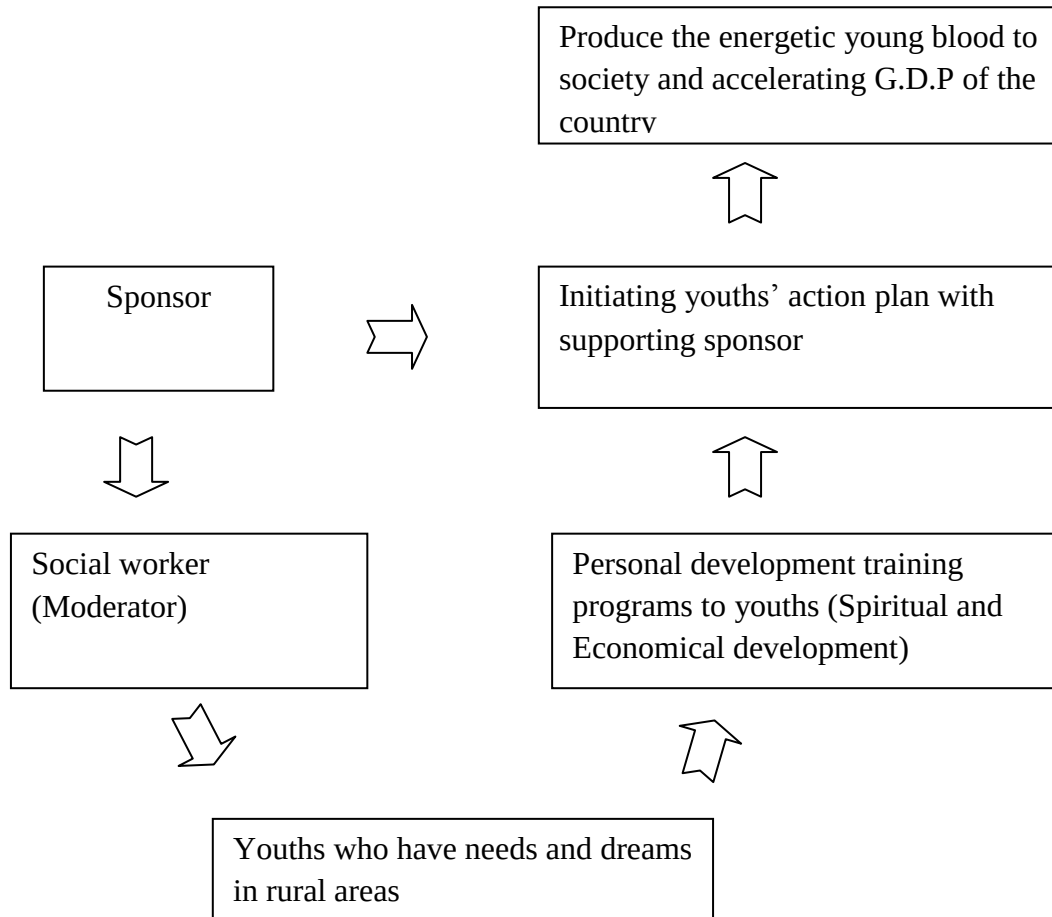
It is needed to find what the root cause that we have to be solving those areas. It is personal development. Personal development is mainly should be divided in two areas. It is Economical and Spiritual development while sustainability is maintained. Then it helps to develop any kind of society or country in the world.

This can be done only by real, honest and professional social workers. who may be a counselor, teacher, leader, trainer. Therefore modern social worker always should develop their mindfulness. Modern Social workers' role cannot be overlooked the necessity of focusing the enhancement of GrossDomestic Production (GDP)of the country .

**Key words – Personal Development, Modern Social worker, Caring, Social development**

## BODY

### Conceptual frame work:



Social worker acts a moderate role for developing youths' personal development by supporting sponsors.

\*A research project done by FlexCiied a CSR project of Flexport Innovations in Sri Lanka ([www.flexport.biz](http://www.flexport.biz))

### Sample:

50 youths who are between ages of 16 to 24 from 5 villages in polonnaruwa distric.

Villages : Dalukana, Manampitiya, Sorawewa, Dimbulagala, Polonnaruwa

### Methodology:

-Implementing 3 days training programs for selected youth crowd for identify the problems, needs they have and establish the dreams recovering those things.

-Observations, questionnaires, Brainstorming, Nominal group techniques, ishikawa diagram, role play, group activities are used as tools and techniques to identify the all problems and dreams. Evaluated by using direct discussion, spider net, analyzing the data.

-Finally set the action plan for achieving the needs with dreams step by step.

-Help them to jump initial step by supporting sponsor.

### **Data Analysis:**

#### **Reasons for not achieving goals (Results are taken to the chart on their first priority)**

|                    | <b>Poor Economical Background (%)</b> | <b>Bad Social/ family background (%)</b> | <b>Lack of Resources (%)</b> | <b>Lack of Self Awareness/Guidelines about future carrier/goals (%)</b> |
|--------------------|---------------------------------------|------------------------------------------|------------------------------|-------------------------------------------------------------------------|
| <b>Dalukana</b>    | 35                                    | 5                                        | 20                           | 30                                                                      |
| <b>Manampitiya</b> | 40                                    | 08                                       | 12                           | 40                                                                      |
| <b>Dimbulagala</b> | 30                                    | 15                                       | 35                           | 20                                                                      |
| <b>Sorawewa</b>    | 36                                    | 12                                       | 20                           | 32                                                                      |
| <b>Polonnaruwa</b> | 25                                    | 15                                       | 25                           | 35                                                                      |
| <b>Total</b>       | 166                                   | 55                                       | 122                          | 157                                                                     |
| <b>Average</b>     | 33.2                                  | 11.0                                     | 24.4                         | 31.4                                                                    |

- 33.2 % of youths says that they can't achieve life goals due to economical condition that they have
- 31.4% of youths says that they can't achieve life goals due to lack of Self awareness/guidelines about future carrier/goals
- 24.4% of youths says that they can't achieve life goals due to Lack of Resources
- 11.0% of youths says that they can't achieve life goals due to Bad Social/ family background



## Conclusion:

According to the results of research, author prompts following explanation.

- 33.2 % of youths say that they can't achieve life goals due to economical condition that they have. It s clearly says that youth think if money with them they can achieve goals easily. As we know world greatest philosophizers, Politian's', scientists, sportsmen's' or artists' life stories are start with very poor economical condition. Therefore further it tells that student don't believe them self strongly. They have lack of self confident. It tells that their mind set up should be develop strongly. According to the conceptual frame work human's spiritual development should be established. Spiritual development builds trusted heavy mental condition to face any kind of challenges.
- 31.4% of youths says that they can't achieve life goals due to lack of Self-awareness/guidelines about future carrier/goals. This is one of key point we have to think.It is dangerous if youth haven't awareness. Due to this reason they are not focusing to achieve dreams .Further even they have dreams, it will be not successful correctly. Because should be Specific, Measurable, Achievable, Realize, Time bounded, evaluated, and Reward. Author argues if they haven't proper awareness about dreams how they become "SMARTR"? According to conceptual framework Youths gain training about needs and dreams, then after training they can realize what should have to do for their desires and how they implement it.
- 24.4% of youths say that they can't achieve life goals due to Lack of Resources. This means they have less confident to build up their life without sufficient resources. There is a point we have to consider closely. Most of Social service organizations distribute much type of aids, and then people use to do get aids every time. They don't try to develop them self.Giving human aids a long time continually, it will be a bad effect to their self-development life style. Therefore giving resources is not the answer. According to conceptual framework youths learn how to follow the goals step by step in the and even they have resources, they don't depend on that.

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USC Social work.(2014)says the importance of developing personal development , *Self-awareness is the ability to have a clear understanding of one's own strengths, weaknesses, thoughts and beliefs. Much of the journey to becoming an effective social worker comprises developing our own self-awareness – with professors, classmates and clients continuously challenging us to be cognizant of our feelings. The process of being self-aware is not always easy, but is a worthwhile and magnanimous achievement.* Retrived from:<http://msw.usc.edu/mswusc-blog/the-path-to-self-awareness/>

Spiritual and personal growth also means addressing your own bad habits, wrong beliefs, and character flaws. This part may be painful, but you should know that at the end of the road the reward will be great and your satisfaction immense.

L.M says the importance of spiritual development. *Spiritual growth is not an easy task. Our society of today is ruled by money, materialistic aspirations and brute power. If you try to make a step out of the circle of physical desires and consumer's logic, you may find yourself walking the path which is less common. Personal development means finding the right balance between our material needs on one hand and our deeper spiritual needs on the other.* Retrieved from:<http://www.sunnyray.org/Personal-spiritual-growth.htm>

On the Other hand it is should be laser focused on Economic development.Hrea.Org.(2014) explains that *economic development expands the availability of work and the ability of individuals to secure an income to support themselves and their families. Economic development includes industry, sustainable agriculture, as well as integration and full participation in the global economy. Social and economic developments reinforce and are dependent on one another for full realization.* Retrieved from:[http://www.hrea.org/index.php?base\\_id=166](http://www.hrea.org/index.php?base_id=166)

So as the solution we have to focus on next level then. How we develop both spiritual and economic development of the society. It should be done by social worker. This is the role of social worker that should be implementing in the modern society. Especially we have to establish concrete dreams of people to enhancing that development. Mind set up should be ready to work on that. Youths are the most appropriate crowd in the world to start this process. So every sponsor should be integrated for implementing this social work process.

Wikipedia.(2014) put extraordinary suggestion for the personal development how relates to enhance society or organization.*Personal development includes activities that improve awareness and identity, develop talents and potential, build human capital and facilitate employability, enhance quality of life and contribute to the realization of dreams and aspirations. The concept is not limited to self-help but includes formal and informal activities for developing others in roles such as teacher, guide, counselor, manager, life coach or mentor.*

*When personal development takes place in the context of institutions, it refers to the methods, programs, tools, techniques, and assessment systems that support human development at the individual level in organizations.* Retrieved from: [http://en.wikipedia.org/wiki/Personal\\_development](http://en.wikipedia.org/wiki/Personal_development)

**TAKE PART, TAKE THE LEAD**  
**Rights-based Approach to Social Inclusion and Participation**

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## Abstract

When it comes to social inclusion and participation, people affected by leprosy usually find themselves among the most marginalised. Those who have the disease are even labelled by a term which is synonymous with outcast, pariah and untouchable. Leprosy – a disease which is riddled with many age-old misconceptions has pushed them to the edge of society, where they experience discrimination and isolation. Due to the horrendous stigma attached to leprosy, many are confined to the ‘ignominy of leprosy colonies’, abhorred by the general public. Left with no alternatives, many resort to begging for their livelihood. Their human rights are rampantly violated, and they do not have the knowledge or the bargaining power for demanding their rights. There are also many laws in India that are discriminatory towards people affected by leprosy, even allowing the disease as a ground for divorce. These laws are an abuse of human rights and also a denial of equal rights, guaranteed by the Constitution of India, under Article 14 (Right to Equality), and Article 1 of Universal Declaration of Human Rights.

The Leprosy Mission started ‘Challenging Anti-Leprosy Legislation (CALL)’ Project – a project funded by DFID, which adopted a rights-based approach to social inclusion and participation, addresses the issue of discrimination and social exclusion faced by people affected by leprosy. CALL trains people affected by leprosy in two States of India, Chhattisgarh and Uttar Pradesh – where prevalence of leprosy is very high. They are made aware of their rights and entitlements, and the project helps them to develop the capacity to advocate when their rights are violated, through collective bargaining, under the banner of community-based organisations (CBOs).

The Project has facilitated formation of 24 Community-Based Organisations (CBOs) in the above States. There are encouraging evidences to show that CBO members, after adopting a rights-based approach, are claiming and defending their rights, and have shifted their focus from living on charity to actively engaging in their own development. They work together to access their rights and entitlements, access services in government healthcare institutions as part of their right to health, access government social welfare schemes, document cases of discrimination faced by them and take up these issues with the media, engage with *Panchayati Raj* Institutions (local self-government), and access improved community facilities and services through memoranda to government authorities. They challenge discrimination and inequality, and advocate for social inclusion and equal distribution of resources.

As a result of asserting their rights on a collective bargaining platform, a paradigm shift has taken place in the lives of people affected by leprosy. They now have a say in matters concerning them, take part in community affairs, and take the lead in making choices that affect them. A right-based approach has propelled them to social inclusion and participation in a big way! This presentation will explore the challenges faced by adopting a rights-based approach with a group of people previously welfare dependent, and explore strategies for success.

### Key words:

Leprosy, people affected by leprosy, right-based approach, social inclusion, participation, discrimination, collective bargaining, advocacy, empowerment, equity

## Introduction

James Griffin, the American-born philosopher had once said, “human rights are rights that humans have simply by virtue of being human”. It has been universally recognised that all human beings have inherent rights irrespective of nationality, place of residence, gender, national or ethnic origin, colour, religion, language, ability or any other status. All human beings are equally entitled to their human rights, without discrimination. These rights are all interrelated, interdependent and indivisible. Human rights are the foundation of freedom, justice and peace. Respecting human rights allows the individual and the community to fully develop. Article 1 of the United Nations’ Universal Declaration of Human Rights (UDHR), 1948 states, “All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.”

Leprosy (also known as Hansen’s disease), the oldest disease known to mankind is a chronic, infectious disease affecting the skin and peripheral nerves of infected individuals. It is caused by a bacillus (a rod-shaped bacterium), *Mycobacterium leprae*. Leprosy is curable with multi-drug therapy; but if untreated it can result in nerve damage, with neglected injuries progressing to infected ulcers on the hands and feet. These result in the typical impairments associated with leprosy such as loss of digits, clawed hands and drop foot. In many communities, this leads to stigma and discriminations towards those affected and their family members.

The stigma attached to leprosy has brought all sorts of discrimination against those affected. They are excluded from mainstream society, and do not have the opportunity for participation in their community. Leprosy has become synonymous with stigma, discrimination and isolation. No wonder leprosy is known as ‘the death before death’. Most of the rights of people affected by leprosy, including right to life, right to food, right to education, etc, are grossly violated. However, years of welfare dependence mean they rarely have the mindset to think in terms of rights as years of stigma have robbed them of their self-worth. They have become more or less comfortable with a life where they met their daily needs through charity, without realising that this is at the cost of their dignity and human rights. Bringing about a rights-based approach among them for their social inclusion and participation is riddled with challenges.

In this paper, we make an attempt to identify the challenges in using a rights-based approach to social inclusion and participation, and explore the strategies for bringing about this change.

## Challenges:

**Self-stigma, lack of self-belief and attitude of people affected by leprosy- they don’t believe they can bring change in their lives:** More than the disease itself, it is the centuries-old stigma associated with leprosy that has played havoc in the lives of people affected by leprosy. They have internalised the stigma - their self-esteem is badly mauled by self-stigma. They feel they are cursed, sinners and are not worth to be counted as human beings. Even now, many of them carry their own plates and glasses to hotels and eat their food sitting on the floor, even when there are empty tables and chairs. While travelling in trains, many sit on the floor even when there are vacant seats. The fact is that, even when the society is not discriminating them, their internalised stigma manipulates their thinking to consider themselves as outcasts and they withdraw from the society. They have simply lost faith in themselves.

Years of bearing the brunt of stigma has taken its toll on the self-esteem of people affected by leprosy. Living on charity has sunk them into a comfort zone where dignity is unimportant, as long as their daily needs are met. They have accepted their state of life as their fate and have developed a resigned attitude. For instance, the CALL team in Chhattisgarh met an old lady (who is no more) who was leprosy affected, from Kusht Kalyan Ashram, Dibrapara, in Durg. She had never visited a hospital. Her hands and legs were badly impaired, she had severe ulcers and maggots were crawling

out of her nose. When the CALL team asked her why she was not availing healthcare facilities, she passively said that leprosy was her fate; no one could help her and that she has to live with her fate. In leprosy colonies, we meet people who feel helpless, worthless and resigned to their fate.

**Lack of strong leadership:** In our survey of leprosy colonies, we found strong leaders missing in most of the colonies. There are leaders in almost all the colonies, no doubt, but apart from being more vocal than the others in the colonies, these leaders do not have any vision for their colony's development. This accounts for the pathetic living condition. In most leprosy communities we found a group of people interested only in their daily sustenance, without anyone to lead them to a life of dignity and even those few with a desire had no knowledge of how to bring about change.

**Illiteracy and lack of education:** Illiteracy and lack of education are major barriers in promoting a rights-based approach. Lack of proper education, often children going with their elders to beg rather than to school, has banished them to a world where they are not able to understand and practise their rights. One example is that in almost all leprosy colonies we found that due to lack of education (and lack of knowledge about basic operating techniques), people affected by leprosy who have been issued smart cards were not able to use them for the purposes the cards were intended for, like withdrawing old age pension money from ATMs, availing cashless treatment, etc. This results in others, whom they approach for help, exploiting them.

**Lack of unity among leprosy colony members:** In a rights-based approach, it is necessary for the rights holders to unite and collectively bargain for their rights. Lack of unity among the inhabitants of leprosy colonies hampers their progress in getting their rights delivered by the government and other duty bearers. There was little contact with people from other colonies and people were inclined to follow their self-interests rather than unite to promote a common cause.

**A culture of begging and lack of interest of older members in rights issues:** The older members of the leprosy colonies, due to their conservative mindset, cannot see beyond their immediate future. Getting their day-to-day needs met (through charity and begging), is all that is important for them. This was obvious when we talked to the residents of Sant Binova Kusht Seva Samiti, a leprosy colony in Rajim village in Raipur, Chhattisgarh. Except for two people, all the others didn't show any interest when we spoke to them about their rights. The women did not answer most of the questions and showed disinterest.

**Stigma and discrimination from the surrounding community:** Many people living outside communities do not want to socialise or even be in the vicinity of people affected by leprosy. Often they have problems starting small business as no one will buy from them and they are unwelcome in community events or at social gatherings. Without community acceptance to attend meetings with duty bearers it is almost impossible for them to raise their issues.

**Problems in engaging with people affected by leprosy outside the colonies:** There are about 12 million people affected by leprosy living in India. Many of them live in leprosy colonies spread throughout the country and the remaining in the villages. For a rights-based approach, there is a need to unite these people to fight for their rights. It is comparatively easy to interact with and mobilise people living in leprosy colonies. It has been reported that during the last 14 years no new leprosy colonies have been added to India's already existing 850-odd colonies. As new cases are being diagnosed (350 new cases every day, as per Government of India report), it is clear that people affected by leprosy continue to live in villages within their own communities. However, engaging with them is a big challenge. It is very difficult to get details of such people, primarily because they are unwilling to disclose their leprosy status due to fear of ostracism.

**Lack of priority for a rights-based approach and no people's movement focused on this issue:**

There are no rights-based movements among the those affected by leprosy in India; illiteracy and lack of visionary leaders have ensured their minds have been closed to such an approach. For many, living by begging is very lucrative. They do not prioritise the larger issues, like discrimination and repealing of legislations in the country that discriminate against them. Survival is their only concern, particularly of the elderly.

**CALL's strategy for bringing about change**

There are two stakeholder groups in any rights-based approach - the rights holders (who do not experience full rights) and the duty bearers (the institutions obligated to fulfil the holders' rights). CALL's strategy for a rights-based approach to social inclusion and participation of people affected by leprosy aims at strengthening the capacity of duty bearers and empowering the rights holders, that is, people affected by leprosy, so that they can collectively claim their rights and entitlements. Having realised the challenges in adopting a rights-based approach to social inclusion, CALL formulated clear strategies to overcome these barriers. CALL's strategy revolves around facilitating formation of rights-based Community-Based Organisation (CBOs) among people affected by leprosy so that they will have a platform and the capacity to collectively work for claiming and protecting their rights and entitlements. The process is as follows:

- The entire project area in the states of Chhattisgarh and Uttar Pradesh was mapped for identifying people affected by leprosy living in leprosy colonies and among the general community; other key stakeholders, like members of *Panchayati Raj* Institutions (local self-government), journalists, legal professionals, policy makers, were also identified. Based on this data, a detailed intervention plan was prepared.
- A specific training module, covering human rights and advocacy, was developed and the project team trained people affected by leprosy on rights and entitlements, government social welfare schemes, CBO formation and management and advocacy. Initially many showed a lack of interest, but those with an interest came forward as volunteers keen to promote change. Many of these were young people.
- People with leadership qualities and rights-awareness from among people affected by leprosy were identified and they were groomed to take responsibility to lead and manage community-based organisations with a rights-based approach to development in their own colonies. The project supported them in mobilising people from their colonies and also those living in villages to become members of the CBO. This involved them spending time talking to people and helping build their self-esteem and sense of self-worth, persuading them that change could happen.
- 24 CBOs were supported in developing an effective organisational structure and by-laws for smooth and effective functioning. This resulted in members having a shared vision, providing focus and energy, subordinating self-interests to harness collective power for larger purpose.
- CBO members are regularly trained in identifying rights violations and doing advocacy for restoring their rights. They were trained in accessing services in the government healthcare system as part of their right to health, access the benefits provided by government social welfare schemes, participate in *gram sabha* (local self-government bodies) and speak about their rightful needs, document cases of discrimination faced by them and resort to legal recourse and highlight cases of discrimination through the media by conducting press conferences, take up their rights violation issues with the government authorities through memoranda, etc. Staff walked people affected by leprosy through the process of approaching the government, claiming entitlements and submitting memorandums so they had first-hand experience with support before repeating the process themselves.
- The project has developed a CBO self-assessment toolkit, and the CBO members were trained to self-assess the progress of their CBOs based on the rating scale. Most of the



challenges mentioned above are being addressed by these CBOs. CBOs are also supported to come together to share learning and support each other in advocacy activities.

- To encourage the community to invest in education, the team demonstrated the positive change education brings in the lives of people affected by leprosy, giving Shanti Koshriya's story. Shanti is a 20-year old girl from Sant Binova Kusht Seva Samiti, in Rajim village in Raipur, Chhattisgarh. Her grandparents were suffering from leprosy. Her mother is a casual labourer. Her father left them long ago. When she was six years old, Jeevodaya Social and Leprosy Rehabilitation Centre admitted her in their hostel in Raipur. Now she is living in their hostel with 500 other students, mostly from leprosy colonies, and is studying for her graduation. Education has changed her life – unless told, no one could make out her leprosy background. She wants to become a teacher – something she couldn't have even imagined if she hadn't had the opportunity to study!
- Using a specific training module, other key stakeholders were sensitised on leprosy and leprosy-related human rights. They were encouraged to treat people affected with leprosy as equals, without discriminating against them, and also advocate for their rights.
- *Sarpanchs* (Village Head), members of *Panchayati Raj* Institutions and policy makers were sensitised and were encouraged to attend meetings organised by the project team where people affected by leprosy also participated and interacted with them to bring about more openness among them. They were also encouraged to advocate for the rights of people affected by leprosy.
- Media workshops were organised throughout the project area to sensitise the media, so that they can publicise human rights issues of people affected by leprosy for wider national awareness.
- Dramas, magic shows and canopy tents were used to target communities surrounding leprosy colonies to raise awareness of the disease and break down stigma.

## Results

There are encouraging evidences to show that CBO members, after adopting a rights-based approach, are claiming and defending their rights, and have shifted their focus from living on charity to actively engaging in their own development. They work together to access their rights and entitlements, access services in government healthcare institutions as part of their right to health, access government social welfare schemes, document cases of discrimination faced by them and take up these issues with the media, engage with *Panchayati Raj* Institutions (local self-government), and access improved community facilities and services through memoranda to government authorities. They challenge discrimination and inequality, and advocate for social inclusion and equal distribution of resources. As a result of their collective advocacy efforts, CBO members have claimed many of their rights and entitlements. Some of them are:

- CBO members have accessed 14,800 benefits of government social welfare schemes, like health insurance, old age pension, subsidised food grains, disability card, disability pension, bank account, general identity cards, electoral identity cards, free travel pass, guaranteed employment, facility for institutional delivery, pension for widows, free education for children, etc.
- 380 CBO members were benefited by free drinking water provided by government in leprosy colonies.
- 577 CBO members were benefited by roads constructed by government in leprosy colonies.
- 1,490 CBO members were benefited by free electricity provided by government in leprosy colonies.
- 1,544 CBO members were benefited by free houses provided by government in leprosy colonies.

## **Conclusion**

It has been a long haul, no doubt. The challenges are many. A concerted effort from all those who work with people affected by leprosy has ensured that people affected by leprosy adopted a right-based approach which has propelled them to social inclusion and participation.

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# **The impacts on Social Capital among relocated people due to Displacement by Development Projects**

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## **The impacts to Social Capital among relocated people due to displaced by Development Projects**

Social capital refers to the institutions, relationships and norms that shape the quality and quantity of a society's social interactions. Increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable (<http://web.worldbank.org/>).

In the traditional Sri Lankan society, Social Capital was a bridge which bonded people together. It determines the extent of inter-personnel cooperation, community engagement and involvement in the community. However the social differentiation; the social capital which had among the people is dissected naturally. Displacement is the reason for the people's dissection and it effects to lose the social network, connections and interaction.

This study focuses on identifying the impacts on social capital due to relocation. Structured and semi structured interviews were used to collect primary data.

Social capital is compulsory for a live society because strong social relationships grow personal support amongst the community. Relocation of personnel generates poor relationships and alienation from the society. Being alienated, the people are isolated from family, occupation and society. These circumstances make rise to loss of social capital and personal support. Traditional Sri Lankan society was based on the labour exchange system. They helped each other on occasions such as funerals, arms givings, weddings and community work. But after resettlement, community has no strong sense of each other and relationships. The resettlement pattern is the key reason affecting these conditions. Living amongst unknown neighbours causes them to live separately. It grows out ones individualism instead of social conciliation.

Key words: Social capital, displace, society, development

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**Vocational Education and Training with Individuals Entrepreneurship Skills Development, under the framework of effective public policies in order to Achieving National Development Objectives together with eliminating the Poverty in the long run**

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## Abstract

Considering about the contemporary global issues poverty can be identifying as one of the major problem or threat to the human civilization on the earth. Government organizations, global organizations and non-governmental organizations are formulating driftnet strategies to wipe out the poverty from this good earth by implementing those strategies and measuring the progress of strategy implementation in terms of economic as well as social indicators. But the unfortunate reality is still the disease of poverty ruling the world as a king of many people, especially those who are living most of the developing countries. Whatever the country's political and economic ideology, increasing the standards of living of its citizens can be identify as a primary objective of any economy. According to the World Bank global monitoring report 2014/2015 its focusing to very essential areas like human capital, Environmental Sustainability and social safety nets in order to achieving the theme of "ending poverty and sharing prosperity". Focusing to the human capital, the government has to play a major role by formulating effective public policies which are related to human capital development of the country. This paper is basically discussing how the country can develop their human capital through enhancing vocational education and training with developing individual's entrepreneurship skills and how it will be contribute to the gross domestic product, increasing the citizens standard of living and achieving the continues economic growth under the framework of effective public policy. The main objective of this paper is providing strategic policy framework to politicians, administrators and professionals and academics those who are involving to making decisions, policies, theories which are related to eliminating poverty from the earth. Reviewing of literature, direct and indirect observations were applied as a methodology of this paper and all conclusions are based on the discussion.

**Key Words** Poverty, Vocational Education and Training, Entrepreneurship, Public Policy, Economic Growth

## Part I

### Introduction

Dreams will come true just because of goal directed behavior. It means that only simple wish is not enough to make a difference to the mankind. Therefore we have to act according to make a difference to each and everyone those who are suffering from the pathetic socio economical disease called poverty. In the free market context role of the government can be identify as a facilitator. But the government has the ultimate responsibility about the happiness of all citizens regardless of race, religion, creed and color. In this case governments are using public policy as a tool for solving existing issues which are effect to the country as well as its citizens.

Poverty can be identifying as a major issue in developing nations. But there is no generally agreed definition of poverty. Poverty is not a root cause for underdevelopment it is a symptom of underdevelopment. Due to high level of unequal distribution of national income, ineffective tax policies, ineffective education system and most importantly, existing political culture is leading those countries to the darkness of poverty. Considering about the countries which are extremely suffering from the poverty, most of that country's political culture will help to keeping, maintaining and continuously growing the level of countries poverty in very effective manner. Because majority of policy makers, especially politicians those who are representing the whole people of country are not capable enough to formulating effective public policies. Most of the politicians are following public choice theory and simultaneously they are committed themself to briberies, corruptions and Misappropriations. This political culture will not solving the national issues including poverty issue. in order to providing very strong and very effective solutions to abolishing the existing poverty issues, the fundamental thing is establishing the good governance practices across the government as well as the country itself. In this paper the author arguing that the fundamental things or factors for eliminating the poverty and achieving the sustainable development are free market economy, democratic political culture and good governance practices. On the strong platform of above fundamental practices the country should build up their national policies with considering all other important areas. According to the author the effectiveness of the proposed models and theories which are discussing in the later chapters of this paper are utterly depending on the above mentioned fundamental factors.

Considering about the modern capitalism economic structure and political economic theories, entrepreneurship can be identifying as a very essential component for production as well as trade. Therefore the author arguing that the particular country has well developed human resource with the high level of entrepreneurship skills the country is able to utilizing it available resources effectively and producing more and more goods and services. According to the theories which are related to the production possibility frontier, if the economic unit is able to utilizing available human resources it will not case for increasing or decreasing the opportunity cost as well. Therefore continues human resources development is a key to achieving countries economic and social development goals and objectives. In this case after the World War II situations can be consider as classic examples for how developed human resource were able to transform defeated countries in to the stage of developed nation within very short period of time. Considering about the Germany (West Germany was Established on 23<sup>rd</sup> May 1949 and Reunification with East Germany on 3<sup>rd</sup> October 1990 and now officially called as Federal Republic of Germany) and Japan both countries were feel in to ruin as a result of World War II. During the post war era Japan and Germany (West Germany) tried to implement unique economic models to achieve countries national objectives. Both countries



are accepted capitalism structure with some reforms which are suitable for their countries requirements. The important thing is both countries were gave very high level of priority to countries human resource development and also they believed that the human resources development as a long term investment for the country.

## Part II

### Conceptualized Poverty Alleviation Model

In this paper the author basically focusing to discuss about the impotency of vocational education and training with developing individual's entrepreneurship skills which are directly reasons for the developing countries human capital in order to eliminating poverty as well as achieving sustainable economic growth within the framework of effective public policies. Proposed conceptualized poverty Alleviation model through human capital development can be illustrated as follows.

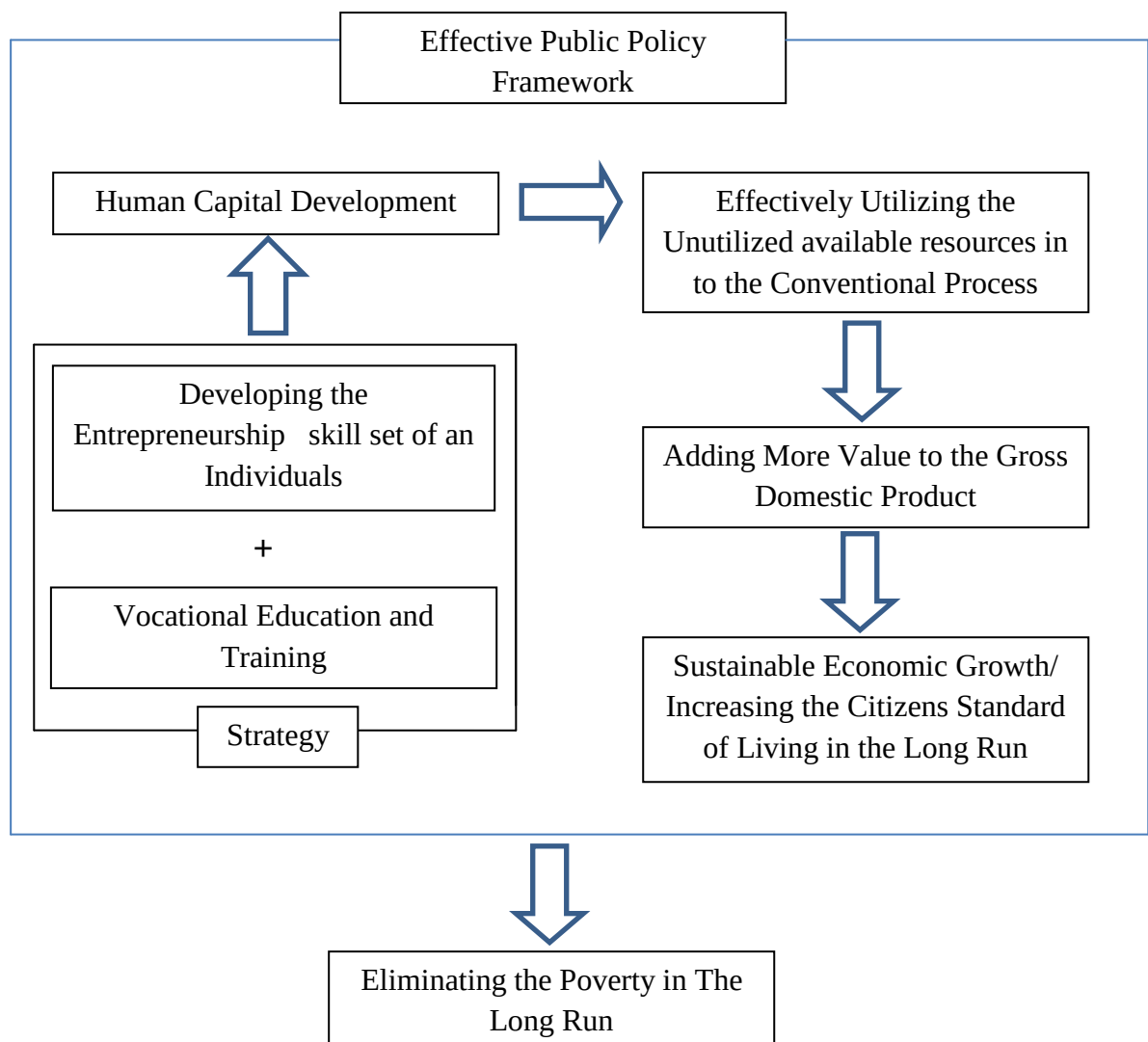


Figure 2.1 Proposed conceptualized poverty Alleviation model

According to the author the effectiveness of the above proposed conceptualized poverty alleviation model is totally depending on the basic three factors. First factor can be identifying as a well-established free market economic structure, second factor is well established democratic political culture and the third factor is well established good governance practices including the well establishment of fair legal framework, Participation, Transparency and Accountability. Those three factors will provide very strong foundation to formulating effective public policies. Considering about the majority of developing nations, absolutely they are not demonstrating above fundamental three factors. According to the corruption perception index 2013 published by transparency international, most of the developing nations are very close to highly corrupted area and also according to the World Bank about 78 percent of the poor people are live in rural areas and mainly involving to agriculture sector. Moreover, most of the developing nations are representing above highly corrupted area of the corruption perception index as well as above rural living 78 percent of the people. Therefore the author arguing that, if the country has fulfilled above three fundamental factors including well-established free market economic structure, well established democratic political culture and well established good governance practices, it will lead to formulating effective public policies towards achieving countries sustainable economic growth as well as increasing the citizen's standard of living.

Focusing to the proposed conceptualized poverty alleviation model under the above fundamental criteria's, Vocational Education and Training with developing individual's entrepreneurship skill set can be identifying as one of the main strategy to developing human capital of the country. The term vocational education is general and includes every form of education that aims to the acquirement of qualifications related to a certain profession, art or employment or that provides the necessary training and the appropriate skills as well as technical knowledge, so that students are able to exercise a profession, art or activity, independently of their age and their training level, even if the training program contains also elements of general education (Kotsikis, 2007). "Vocational education and training are indispensable instruments for improving labor mobility, adaptability and productivity, thus contributing to enhancing firms' competitiveness and redressing labor market imbalances" (Caillods, 1994, p.241). Vocational Education and Training comprises all skill transfers, formal and informal, which are required in the improvement of productive activities of a society (Carnoy, 1994).

In order to start up new business ventures by utilizing available resources only the technical skills and competencies are not enough. This is the point when entrepreneurship skills are taking place. Entrepreneurship can be identify as a set of human knowledge, skills and attitudes which are giving higher involvement to transforming unutilized resources in to the value added goods or/ and services for the purpose of fulfilling the unlimited humans wants by using high level of creativity which is lead to the innovation as a part of modern capitalism economy. The concept of entrepreneurship consists of three main factors including innovativeness, Risk taking and Pro activeness. Innovativeness: Tendency towards the generating, acceptance and implementation of new ideas, processes, product, or services (Thompson, 1965). Rick Taking: Tendency towards taking responsibility for their action (Salaza, 1997). Pro activeness: The tendency towards active search for creative solutions, service delivery, implementation and the initiation of change, responding rapidly to the situation and employing the best results (Salazas, 1997).

Vocational education together with entrepreneurship skills development is very important, because it will support to buildup nations human capital and the person who gain that total competencies has a potentiality to creating new business opportunities as well. Actually this

process can be identify as a nations long term investment because only the developed human resource will adding more value to the national economy. This concept can be apply to any sector such as agricultural, industrial or services sector in the economy and also this will help to stimulating hidden human skills and motivating to achieve life success as an independent person. The ultimate objective of this concept is to creating a respectable, independent and honorable citizens those who can contribute to the social well been and sustainability while continuously growing their individual economy. Moreover this proposed conceptualized poverty alleviation model is also help to increasing the level of utilizing available resources of the country. Therefore the country can expect more contribution to the gross domestic product through successfully implementing above proposed model. As a result of this, in the long run country will be achieve higher level of economic growth, sustainability as well as continuously increasing the standards of living of it citizens. As a whole this integrated economic strategy will providing strategic framework to eliminating the poverty in long run. In order to achieving more success through this conceptualized poverty alleviation model, the existing government has to play a major role including the role of facilitator as well as change agent. Moreover in the name of poverty alleviation through countries human capital development the government must fulfill and need to put their maximum effort to establish the following requirements too. Following requirements can be considered as supportive requirements in order to developing countries human capital. In this case what the government should do is formulating and aligning countries human capital development policy with countries national economic policy. Moreover countries human capital development policy should be supportive to boosting national production level and at the same time countries human capital development policy should be match with the national economic policy. The effectiveness of this model is absolutely depending on the capacity of countries policy makers and true commitment of executive branches.

1. Developing infrastructure facilities across the country for creating a better learning and development environment.
2. Attracting the best talented teaching faculty from the local as well as overseas.
3. Promoting SME sector financing through public and private banking system with attractive interest rate, payback period and flexible conditions.
4. Continuously developing more practical oriented curriculums with industrial best practices.
5. Linking industries and academics for further research and development.
6. Developing international relationship among the vocational education and training community.
7. Periodically reviewing public policies and making corrective actions for future development.
8. Introducing national and international standardization to vocational education and training.
9. Providing vocational education and training awareness and it's impotency to primary as well as secondary school students.

10. Creating and promoting entrepreneurship based vocational education and training culture across the nation through positioning the high level of preserved brand image and higher social acceptability to this sector.

### Part III

#### Conclusions

In order to mitigating the poverty and continuously improving the citizen's standard of living the government of the country must take the first Initiative because government is the responsible party for all issues related to the poverty and social security. In this case government can use public policies as a strategic tool for achieving contemporary economic, social goals, objectives and sustainability as well. But People in this earth are suffering from the poverty not because of their physical incapability it is just because of their mental and intellectual incapability. Why? Those people are selecting and empowering wrong people to ruling the government. This is the beginning of the poverty issue and all other national issues. Therefore, capable, honestly and committed politicians are very significance to mitigating the poverty issue and providing the better leadership to the entire nation.

Effective public policies can be considered as a main weapon against the poverty issue because public policies are applicable to the each and every layer of the country. Therefore under the framework of public policy the government has to implement their human capital development programs including vocational education and training with entrepreneurship skill development. The government must be the main party or big player in this process but the government has to getting private sector and non-governmental sector contribution to achieving the overall success by applying the concept of participation. Considering about the beneficiaries of the proposed conceptualized poverty alleviation model, mainly the youth generation of the country will be benefited regardless of their income level as well as social classes and also it will support to creating small and medium entrepreneurship and innovative driven entrepreneurship across the country. Therefore as an economic unit the country can expect more value addition to the Gross Domestic Product, Sustainable Economic Growth with continuously increasing the Citizens Standard of living through effectively applying the above proposed conceptualized poverty alleviation model.

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# WHAT DO YOU SEE?

The role of Visual Communication Design to Promote Positive Change  
for Unorganized Workers in Karnataka, India.



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# Abstract

The principal objective of this paper is to indicate the role of inclusive visual communication design in development. This case study shows a communication campaign, developed to empower and inform Unorganized Workers in a rural context in Karnataka. It demonstrates how images have to be specific to its cultural context to create awareness and stimulate positive change among mostly illiterate participants in a rural context. It demonstrates the learnings: a strategic approach of communication and the specific design and use of visual media as a tool to create awareness and stimulate positive change. Short videos document the research with unorganized workers and examples of different media, like TV spots and billboard design could be shown during the presentation.

These examples are relevant for social designers and people who deal with complex social problems and communication4development in a joint project involving several stakeholders and government agencies.

**Keywords: Visual Communication Design, Visual Communication 4 Development, Behaviour Change Communication, Unorganized Workers, Social Security Schemes**

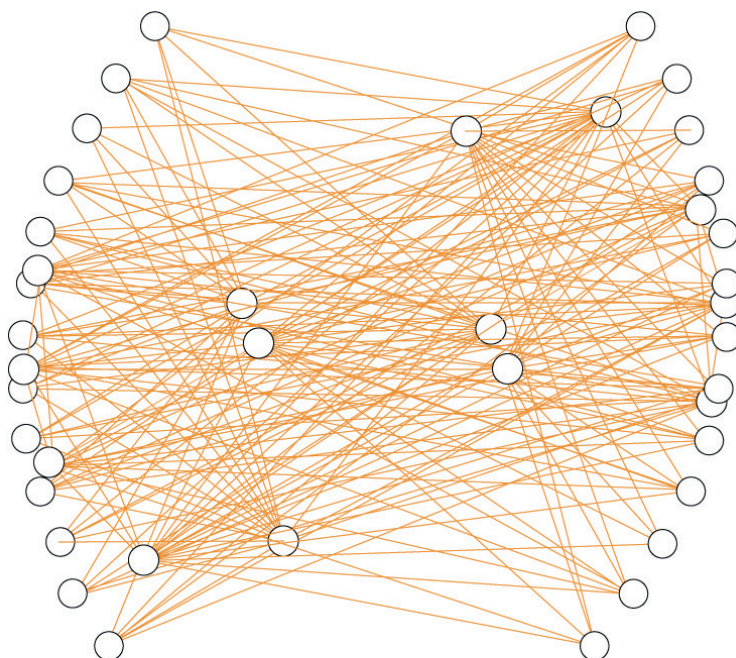


## 1. Social Security and the Awareness Gap

**An improved social security system is crucial to alleviating poverty and to advancing inclusive economic growth.**

Many social security programmes in India, such as health insurance and old-age pensions, are limited to workers in the organised sector. Yet more than 94% of the country's workforce is engaged in the unorganised sector, in small-scale farming, and in small businesses. Jan Breman states, that "the informal economy consists of all activity generating work and employment that is not registered and administered by public regulation" [1] with no protection against arbitrary dismissal, accidents and other risks. Thus unorganized workers are extremely vulnerable.

The Indian government has set up at various points of time a multiplicity of schemes which aim to ensure that the vulnerable sections of the population have access to basic entitlements, such as food and nutrition, housing and health, education and employment, etc.



*A multiplicity of schemes both at the Central and State levels aiming at social protection of the underprivileged have been framed at random at various points of time, which makes it in general difficult to understand who can benefit from which scheme.*

The problem is that there is no overall conformity and design of those schemes and a lack of consistent policy and the coverage of unorganized workers under the schemes has been minuscule. Unorganized workers have generally no information about their entitlements and therefore no access to pensions, healthcare or other forms of social security. For Government stakeholders it is also difficult to understand who can benefit from which scheme.

In Karnataka, information about and access to these schemes has been made easier by the Cooperation between the Department of Labour in Karnataka, in collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Since 2008 unorganized workers have access to efficient and improved social security services via newly established worker facilitation centres (WFCs)



in five districts in Karnataka. Community facilitators (CF) have surveyed and identified beneficiaries and have offered easier access to social security schemes through a Single-Window-Service (SWS) in a pilot project, which has been taken over by the Department of Labour, Government of Karnataka in recent months.

In spite of the efforts made by the GIZ, there is still a lack of information and awareness about Social Security Schemes within the society in general and the Unorganized Workers and Government stakeholders in particular.

None of the Unorganized Workers, we interviewed at random in different districts, had heard of any social security schemes or knew that they were entitled to benefit from various schemes. On the other hand, all of the beneficiaries who had obtained their "SMART cards" (benefits), got these only through Interpersonal Communication with the Community Facilitator in the Single-Window-Service Centres, established by the GIZ. There were no other forms of communication, which reached the participants other than interpersonal communication. Visual communication was either completely missing or simply did not use a visual language which communicated successfully with participants, who in their majority are illiterate.



*This illiterate Unorganized Worker in Hoskote (rural Bangalore) is not able to understand the brochure, provided by GIZ/Department of Labour.*

## 1.1 Communication is not merely Information Dissemination

**This chapter reviews the key questions of visual communication design and visual semiotics in relation to the participants and the cultural context.**

Using visual communication to stimulate positive change and promote development goals has a long tradition. Unicef states that C4D, "Communication for development goes beyond providing information. C4D involves understanding people, their beliefs and values, the social and cultural norms that shape their lives. It involves engaging communities and listening to adults and children as they identify problems, propose solutions and act upon them. Communication for development is seen as a two-way process for sharing ideas and knowledge using a range of communication tools and approaches that empower individuals and communities to take actions to improve their lives." [2]

There has been very little research on and how participants in rural environments in India read and understand visuals, which are mostly created by design offices in cities **for** participants but not in communication **with** them. Visual images, like all representations, are never innocent or neutral reflections of reality...“they represent for us: that is, they offer not a mirror of the world but an interpretation of it.”[3]

Our interpretation of symbols and graphic language depends greatly on our cultural language. There is very little uniformity between different cultures. Michael Evamy states that “it is a great misconception to assume that graphic information becomes magically accessible to everyone, everywhere when you remove words”. [4]



*Painted agricultural trailers from Radjasthan (left) and Karnataka (right) show a significant different visual language.*

Visual communication in India is unique in the fact that it reflects its cultural context and social patterns extremely accurate. Figure 3 and 4 show paintings on agricultural trailers from Radjasthan in North India and Karnataka in South India, conveying a significant different visual language. The vernacular visual language shows local distinctions in signs, graphic, photographic and audio visual information which depicts wealth, caste, class, religion, ethnicity on billboards, wall paintings and signs in public places, TV shows and film posters. These images are successful because they reflect existing cultural norms and attitudes prevalent in Indian society.

As Art historian Keith Moxey argues: “Semiotics makes us aware that the cultural values with which we make sense of the world are a tissue of conventions that have been handed down from generation to generation by the members of the culture of which we are a part. It reminds us that there is nothing ‘natural’ about our values; they are social constructs that not only vary enormously in the course of time but differ radically from culture to culture. It reminds us that there is nothing ‘natural’ about our values: they are social constructs that not only vary enormously in the course of time but differ radically from culture to culture.” [5]

## 1.2 Visual Literacy and the Process of Sensemaking

**This chapter looks at the ‘visual’ age and the meaning of ‘visual literacy’.**

Humans have always created images, in fact for a much longer period of time than they were able to read and write. We live in a “visual” age, in an increasingly visual world, in which we are constantly looking at screens of different sizes with superior resolutions at handheld devices. We also live in a world with more data available to us than ever before. IBM says that 90% of the world’s data was produced only in the last two years and that we produce 2.5 quintillion bytes of data daily.

After centuries of the predominance of the alphabet, the contemporary culture relies not so much on thinking and communication, but on image modes.

Nowadays the ability to read and write is dominated by the ability to decode images as sources of information.

In a growing world of visualizations, our brains understand images faster than they do text. Our brain really is fast, it decodes an image in just 13 milliseconds, scientists discovered.

The use of images as sources of information and learning demand new abilities in the global world. These new abilities, coined Visual Literacy have transformed our ways to communicate and to decode communication. Children with access to digital technologies learn an image-based use of language and become visually literate at a very early age.

“Youths who spend a third of their waking hours in front of a screen are saturated with images. The ubiquity of images in young people’s lives has transformed the way they learn and perceive the world.” [6]

The majority of people in India has not yet got access to the internet and there is a huge digital divide between the “flat world, in which you can plug and play, collaborate and connect, if you are from Bangalore or Brooklyn, your life chances and opportunities hold more potential than ever before” [7] and the realities of Indian people. The majority of Unorganized Workers in Karnataka use cellphones only to make phone calls. They hardly use other functions, like SMS. Their phones are basic models, as shown in figure 5 and 6. In India, internet penetration in the country is a mere 10.2 per cent (December 2011) [8], but lately being fueled by the ever growing popularity of smart phones.

This will change soon. A smartphone explosion is expected with China (283m) followed by India (225m). Though India is becoming the second-largest country for smartphone use in the world, it seems that the majority of the population in India is until today not able to decode the abstract global sign system.



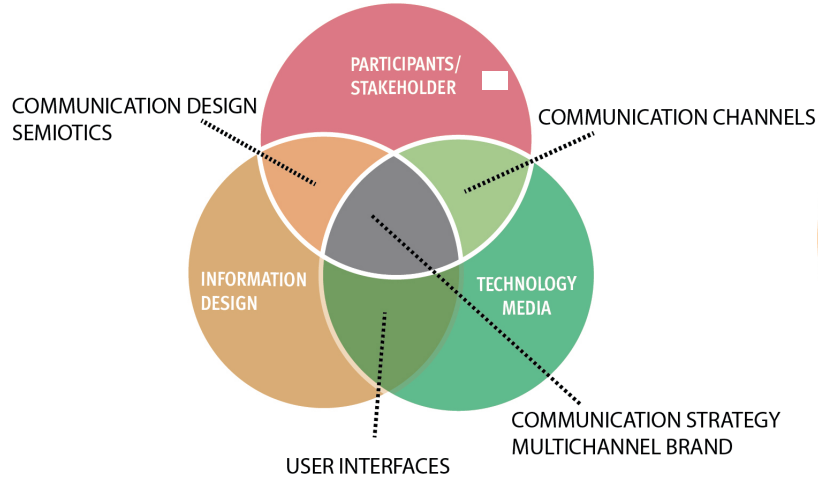
*A painter from Hoskote and a construction worker from Mangalore show their basic cellphones.*

Though the statistics clearly show that illiteracy is a significant global and local issue and even today among ten in India about four are illiterate, very little has been done to tackle the challenge of communicating to illiterate people in general and, more specifically to an illiterate rural population, to which Unorganized Workers, in their majority belong. The repercussions of an inability to communicate to and with them are demonstrated here.

## 1.3 The Research: What do you see?

**What is the use of a book' thought Alice, 'without pictures or conversations.'**  
**Lewis Carroll, Alice in Wonderland [9]**

Planning and evaluation research should accompany every planning and design process for a communication campaign, since communication is “what arrives and causes an effect, not what you send out”[10].

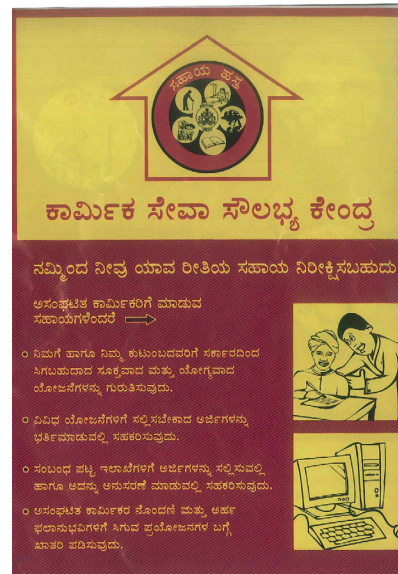


Field research was conducted to understand and examine the perception of stakeholders (target groups), their use of communication channels and technology. The aim was to implement the learnings into a communication strategy and multichannel brand.

The research undertaken by the author, with the help of a local interpreter, was qualitative. The primary research was conducted through interviews, with the help of a local interpreter, with Unorganized Workers and SHGs (Self-Help-Groups) as well as members of the Panchayat Rajs (Village Councils) and Community Facilitators in three different districts of Karnataka. The research was documented with audiovisual media

This leaflet was disseminated in thousands into the households of Unorganized Workers. It used inconsistently designed cliparts, randomly taken from the internet to communicate social security schemes and Single Window Service to rural, illiterate stakeholders. The logo (on top) is too complex, uses unspecific cliparts and does not fulfill technical requirement, eg. cannot be recognized in small scale. Many people in rural areas simply do not wear glasses and cannot read or see smaller letters or illustrations. .

We conducted in total 90 interviews in three different districts, Hoskote, Mangalore and Gulbarga with 61 Unorganized Workers, 15 Community Facilitators and 14 members of the Village Councils (Panchayat Raj). Questionnaires, as well as cards, on which pictograms or photos were printed, were shown to participants in isolation from the print media, brochures and books, they had originally been used in.







*Pictograms, photos and illustrations were shown in interviews with Unorganized Workers and members of Panchayat Rajs (Village Councils) in three different districts in Karnataka to evaluate if participants can derive meaning from the print material which was disseminated by Community Facilitators. Interviewer Johny Jaganath*

The purpose of the research in the field, was to examine the visual perception (semiotics) of our stakeholders and target group, shown in figure 8, and their use of media and technology, in detail

1. to examine and test the print material used so far



- to study the visual language and cultural perceptions of the participants

2. to investigate the use of communication channels:

- cellphones (types of cellphones and their use)
- mass media/entertainment (which TV channels and which soaps are watched)
- actors or celebrity spokespersons (known and liked)

3. to find out which consumer products/brands are commonly bought (to identify a brand for a public-private partnership)

In addition to the field research secondary research took the form of topic searches in the internet and academic

texts, leading into commercial marketing, neuro-marketing and the emotional aspects of branding. The research was extended into communication campaigns and behaviour change theory and some well written papers from UNICEF led to learnings for this project.

The research shows that 79% of our interviewees own an average of 2 cell-phones with basic technology per family, from those only 15% use it to send, receive sms. 19% use the cellphone to listen to radiostations. None of the participants had internet access. 80% watch TV and from those 82% prefer the channel Udaya, 39% (mostly women) watch and like the Kannada TV Soap Bangara, 55% like Shiv Raj Kumar and Puneet Raj Kumar, 51% Upendra. 28% watch Kannada movies in film theatres.

## 1.4 The Learnings

The examination of print material and images shows that unspecifically designed visuals do not communicate with/to participants.



The idea for the new visual identity of the Single-Window-Service stems from the sacred geometry of rangolis, which show a great mode of abstract recognition and memory.

Unorganized Workers and participants in Panchayat Rajs (Village Councils) struggle to interpret icons, pictograms, illustrations, graphs and info graphics and other representations which are used globally. Therefore visuals used in communication campaigns which intend to persuade and change behaviour have to use a vernacular visual language or adaptations of the same. They have to be specific towards detail, a tool, the crop growing on the field or the foot-wear of a worker has to look right.



The research shows that colourful, flat depictions, which do not use perspective and are large enough, work best. Photos which show “real people” work equally good. Many UOWs cannot afford to wear glasses, and cannot read or see smaller letters or illustrations. Printed material cannot be the only and first choice, since it is often unpractical for people who do not have bookshelves and is often used best to light the cooking fire in the evening.

Print media, in form of brochures and posters can only be one, out of a multiplicities of media, which tries to persuade or influence behaviour.

Communication4Development needs to be strategic and use multi channels as well as interpersonal communication. The use of TV spots, print media, bill board advertising are only parts of a mix of media, which form a communication strategy. One single media does not move anybody, thus does nothing to influence behaviour.

## 1.5 Put into practise

Parallel to the testing of the pictograms and photos, fresh pictograms, illustrations and a new logo were developed and tested. The illustrations went through a cycle of testing and redesigning multiple times before they “worked”. The participants were very specific towards details. We learnt that details like the right shape of tools or the look of the crops growing on the fields in the background of an image matter a lot to the understanding of the whole image. All of the developed material is reevaluated and if necessary redesigned and tested again, parallel to the processes of participation and capacity strengthening.

### Consequences: Developing new designs and strategies



Brochure and Poster to promote Construction Worker Welfare Board, social security for construction workers and RSBY, the national Health Insurance Scheme for Unorganized Workers use illustrations which translate not only insurance benefits into a visual language, but also who the beneficiaries are, how they get access and how much they have to pay.



The learnings resulted in designing an integrated communication and PR plan, see next page, creating a new visual identity and brand, as well as producing new print media. TV spots and radio jingles as part of a brand campaign for Single Window Service will be broadcasted in local Kannada stations from March 2015 onwards.



The brochures for CWWB (Construction Worker Welfare Board) and RSBY have, when Brochure and Poster to promote RSBY, the national Health Insurance Scheme for Unorganized Workers with illustrations which translate not only insurance benefits into a visual language, but also who the beneficiaries are, how to get access and how much to pay.



Communication for behaviour and social change needs to be strategic and use multi channels as well as interpersonal communication. Communication strategies work best when they are integrated with various strategies for behaviour change, social mobilisation and advocacy aimed at clearly identified objectives. The use of TV spots, print media, bill board advertising are only parts of a mix of media, which form a communication strategy.



## 1.6 Strategic Communication Plan

[illegible]

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