

PLENARY COMMENTS, ASIA 2015,

SOCIAL EXCLUSION

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The spurt in Asia's economic growth rates has caught the global imagination and evoked many new images. For instance, fuelled by India's recent performance, we have images such as India rising, the giant awakens, the elephant races the dragon, and so on. But for millions these remain distant blurs, like the train speeding by, watched by village children from the fields, in Satyajit Ray's 1950s classic film – Pather Panchali.

The children of those children, now adults, want to board that train. But will they get “a ticket to ride”? Or will they remain unquiet spectators? Till one of them picks up a stone and breaks a window, as in the film - Ankur - by another remarkable filmmaker – Shyam Benegal.

Despite Asia's undeniable success in growth and poverty reduction, millions stand excluded – not just the income poor, but the chronically poor, and those excluded by their gender, caste, ethnicity, religion, minority status, or geographic location. *In other words, there are inequalities also among the income poor and there are deprivations that go beyond income poverty, both of which must be addressed in any vision of an emergent Asia.*

We see in Table 1 that income poverty, although declining, is still very high in countries like India. But furthermore, the latest report by UK's Chronic Poverty Research Center assesses that half of India's rural poor and one-fourth to one-fifth of China's total poor are in chronic poverty. Overall some 270 million people in Asia are chronically poor. Of these, about 45% are in South Asia, 15% in China. These are people who have no easy exit from poverty through current growth paths. They will still be poor in 2015. As likely will be their children. Chronic poverty persists over time and generations. And it is necessary to outline measures that will reach them, since economic growth alone will not.

FORMS OF SOCIAL EXCLUSION/DEPRIVATION

When we speak of social exclusion and deprivation, what kinds of exclusions and deprivations do we have in mind? Again we need a broader view than income poverty. Social exclusion/ deprivation can take many forms. I consider five as central: Exclusion from:

- Decent livelihoods, especially productive assets
- Health, survival and education
- Political voice
- Knowledge systems
- A clean environment

These exclusions overlap with income poverty but go much beyond income poverty. And they cluster and interact in complex ways. For instance:

- A lack of decent livelihoods can cause exclusion from education, health services, a clean environment, and knowledge systems.
- Health deprivation can cause employment deprivation, and even lead to bondage through indebtedness.
- Lack of political voice can exclude people from government institutions
- Exclusion from knowledge systems can undercut earning options.
- Lack of a clean environment can cause ill health and even life deprivation.
- And so on.

For illustration consider gender-related deprivations.

GENDER

Gender-based exclusion and deprivation goes much beyond income poverty or chronic poverty. Women do worse than men on all the 5 indicators of exclusion, but let me highlight the more dramatic.

First, take basic survival: Sex ratios remain highly female adverse in India and China and are worsening. Many middle-class Indians use modern technology to identify the sex of the foetus and then abort the females. Abortions, infanticide, child neglect and abandonment are all sex selective. In China, in 1999, 90% of the 100-160 thousand abandoned or orphaned children were girls.

Second take employment. As new jobs arise in industrial or urban sectors, often mainly men migrate, mainly women get left behind. In India today 53% of male workers but 75% of women workers and 85% of rural women workers are in agriculture. For women, this percentage has barely fallen by four points in four decades. In South East Asia, especially in Malaysia and Singapore, in the 1970s, large numbers of young women were absorbed in the electronics industry, smoothing the transition from agriculture. But they had schooling. India's largely illiterate or semi-illiterate rural female labour cannot be so readily absorbed. Here gender exclusion bars most women from new opportunities, including from new information technology.

But will their daughters have a chance? Yes, if we empower the mothers. A critical element in that empowerment is access to productive assets such as land. In India while 11% of rural households are landless, a likely 85% of women from landed households are landless, if we extrapolate from small surveys. In China, an estimated 70% of those without their own land are women.

This affects not just gender poverty but also productivity. Agriculture and rural development is getting renewed attention in both India and China. But will the new infrastructure reach women? Are we taking account of the **new demographic reality** where farmers are increasingly likely to be women?

Third, consider exclusion as lack of political voice. Only 9% of parliament members in India and only 7% of Party central committee members in China are women. At a local level, however, at least in India – one-third seat reservations have notably increased women’s presence in village councils, but for China the figures are only 16%.

Fourth, consider environmental effects, in particular **domestic energy poverty:** An estimated 80-90% of India and Nepal’s rural households, 70-80% of China’s and Indonesia’s households depend on unprocessed biomass – wood, cropwaste and dung – for domestic energy. Estimates for India show that women cooking indoors from these fuels in an open fire inhale the equivalent of 20 packs of cigarettes per day. Mortality risk from indoor air pollution is 50% more for women than men. This is also a major cause of child mortality, affecting both better- off and poor households. Domestic energy poverty in general, and poverty of clean domestic energy in particular is widespread and cuts across income classes.

ETHNICITY

Caste, ethnicity, minority status again leads to social exclusion - the tribals and low caste in India, the non-Han in China, the ethnic minorities in Vietnam. In Vietnam, between 1998-2002 poverty fell from 54 to 24% for Kinh and Chinese, and only from 86 to 69 for the ethnic minority.

Now let us combine gender and minority status. In Pakistan, being Hindu reduces the likelihood of attending school by 12%, but being a Hindu girl reduces the likelihood by 22%. The picture is similar for Muslim girls in India.

In other words, each layer of exclusion piles on another – if you are minority, low caste and female, you can come at the bottom of the heap.

SO THE REVERSE SIDE OF THE ASIA RISING STORY, IS THIS “OTHER” ASIA STORY.

WHY IS SOCIAL INCLUSION IMPORTANT?

We need social *inclusion* not only because, as Amartya Sen emphasizes, it is a *constitutive* element of development, but also because, it is *instrumental* for development. Social exclusion can stunt Asian growth over time. Social *inclusion* can enhance growth, not only in terms of reducing the potential for social conflict that many are now talking about, but by increasing creative energy.

Healthy workers are more productive, less absent. One might even say – a nation’s wealth is built on a nation’s health! Including women, ethnic groups and minorities will increase a country’s talent pool and productive energy. Giving the excluded political voice will enhance efficient governance. In India, women heads of village councils are found to make a significant and positive difference to the delivery of drinking water, health care and roads.

Basically, social inclusion is not a matter of charity but of necessity. It can help Asia reach its growth potential, rather than its absence be a “constraint”. And it is essential for social justice and a fairer distribution of benefits toward which the entire population has contributed.

WHAT CAN BE DONE?

A complexity of historical, locational and social disadvantage and bad public policy underlie exclusion. But history, biology, and identify need not define destiny, if we have the right public policy. The question is: what is the right public policy? There are no easy answers, but to start off the discussion, I would like to highlight six points on what could be done to empower the excluded (see transparency).

(1) Prioritize productive assets:

We need to go beyond health and education. Structural and historical disadvantages predicated on productive property such as land cannot be compensated only by health and education interventions, very important though these are. Nor is micro-credit the final answer. As some rural Bangladeshi women asked me: why do men get the land and women only micro-credit?

At least in South Asia, improved access to land for this generation of the rural poor can significantly enhance their children’s choices. In fact, attempts by Indian civil society to increase women’s land access has improved livelihood security, reduced the risk of marital violence, and increased access to health and education for their children.

To illustrate the potential, consider a less used example – compare Sri Lanka with China and India in Table 3. It is striking that Sri Lanka has two-thirds of China’s GDP per capita, but no female adverse sex ratio – there are zero “missing women”, compared with China’s and India’s 39-40 million each. Sri Lanka also has as a high female literacy rate as China, less poverty and a much higher absorption of women outside agriculture. India does worse than Sri Lanka on every count.

So what’s the key? Not just health and education policy. Across ethnic and religious groups, Sri Lankan women have effective rights in property. Indeed, minority Jaffna Tamil women often own more land than Jaffna men or many majority Sinhala women. In all the explanations for why Kerala and Sri Lanka are such outliers in South Asia none mention this critical factor, namely women’s historical access to productive property, which meshes with other advantages. In countries where women lack this historic advantage, public policy can help.

2. A group approach to asset creation and service delivery:

Groups have more economic and social power than individuals. This lesson, so well learnt in delivering credit to the poor, needs to be extended to cover more substantial assets like land. There are many examples of the poor in India and Bangladesh purchasing or leasing in land in groups, through government or NGO subsidized credit. Many are also doing group farming, or group fish production in ponds, with substantial gains in productivity, and economic security. Collective functioning has enhanced their reach to resources, information, scale economies, and government officials.

3. A rights based approach to policy

We need to legalize certain needs. Recent enactments in India guaranteeing a right to information, to minimal employment, to gender equality in land inheritance, are all *steps in this direction*. Already many in India have used the Right to Information Act to force corrupt local leaders to return public money meant for infrastructure development. Poor urban women have used the Act to ensure they get ration cards. More gains are possible by better implementation - spreading legal literacy and ensuring the poor can access these laws through legal aid institutions.

4. Define basic universals, in particular food security, education and minimum social security coverage.

5. An information/media based approach to enhance awareness and information (such as about the new laws). In this information age this has much potential, given the reach especially of TV.

6. A gender approach to service delivery: Public policies focused on women would reduce not just gender-based exclusion, but also other exclusions. There is now ample evidence that resources delivered to women are more likely to reach other family members than those delivered to men alone.

INTERACTIVELY, THESE 6 FACETS OF EMPOWERMENT COULD CREATE NEW SYNERGIES AND SHIFT VICIOUS CIRCLES TO VIRTUOUS ONES

Let me end by returning full circle to Satyajit Ray's trilogy, wherein the little boy Apu goes to school and then to the city as a young man. He boards that train he saw speeding by in childhood. But his elder sister dies a premature death. Policy must provide a ticket to ride not just to Apu but to his sister. Her children might then pay *their own way* in the post-2015 world. Therein lies the challenge.

TABLE 1: EXCLUDED BY POVERTY

	INDIA	CHINA	SOUTH ASIA
Income Poverty (<USD 1/day)	34.7%	16.6%	
Chronic poverty	110-160 M (half of rural poor)	40-65 M (1/5 – 1/4 of all poor)	135-190 M (25-35% of poor) 45% of world's CP

Sources: UNDP, World Development Report 2005; Chronic Poverty Report 2004, UK

TABLE 2: EXCLUDED BY GENDER

INDICATORS	INDIA	CHINA
SEX RATIOS (F/M) “Missing women”	933 (39.1 m)	937 (40.9 m)
ILLITERACY (Adults, 2003)	F 52 M 27	F 14 M 5
EMPLOYMENT	F 75% in agr M 53% in agr	F 69% agr M 61% agr
RURAL LANDLESSNESS	11% Rural Households own no land: Roughly 85% of women from landed households likely own no land themselves	70% of those without their own land are women
POLITICAL PARTICIPATION	Parliament 9% Village councils 33%	Party central com 7% Village committees 16%
ENERGY POVERTY (Indoor air pollution from smoky biofuels)	High risk of respiratory diseases: mortality risk 50% higher for women than men. High child mortality	
	5% use improved stoves	50% use improved stoves

WHAT CAN BE DONE?

PRIORITIZING PRODUCTIVE ASSETS

A GROUP APPROACH TO ASSET CREATION AND SERVICE DELIVERY

**A RIGHTS BASED APPROACH TO STRENGTHEN POLICY
(AND ENSURE ENFORCEMENT)**

DEFINING BASIC UNIVERSALS

AN INFORMATION-MEDIA BASED APPROACH TO AWARENESS RAISING

A GENDER APPROACH TO SOCIAL SERVICE DELIVERY

TABLE 3: SRI LANKA, CHINA, INDIA

	SRI LANKA	CHINA	INDIA
PER CAPITA INCOME	\$3778	\$5003	\$2892
Pop <1 USD/Day	7.6	16.6	34.7
SEX RATIOS (F/M) (Missing women)	995 (0.0 m)	937 (40.9 m)	933 (39.1 m)
ILLITERACY (Adults, 2002)	F 10 M 5	F 14 M 5	F 52 M 27
AGRICULTURE % workers in	F 49 M 38	F 69 M 61	F 75 M 53
RURAL WOMEN'S LAND ACCESS	HIGH Most women of landed households own some land <i>among both majority and minority communities</i>	MEDIUM 70% of those without their own land are women	LOW Roughly: only about 15% of women own land among landed households