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Regional poverty 17 November 2011

By [Saman Kelegama](#)

With the conclusion of 17th SAARC Summit in Male, Saman Kelegama charts the organisation's attempts at fighting poverty.

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Ever since its formation in 1985, SAARC has made a concerted attempt to address the issue of poverty. The SAARC Charter, drafted in 1985 at a time when the agenda was focused on non-economic issues, referred to enhancing living standards and welfare of the people through regional cooperation. Accordingly, Integrated Programmes of Action (IPAs) in Agriculture and Rural Development, Human Resources Development, and Social Development were initiated.

In 1991, following the decision made during the 6th SAARC Summit in Colombo in the same year, an Independent South Asian Commission on Poverty Alleviation (ISACPA1) was formed to study and recommend policies to address poverty in the region. In late 1992, the ISACPA1, chaired by the former Prime Minister of Nepal, Krishna Prasad Bhattarai, published a report entitled 'Meeting the Challenge', with the following key recommendations: To eradicate poverty, it said, the region should

- (a) aim at an average growth rate of 9 % for the period of 1992 – 2002,
- (b) increase the average saving rate in the region to 27% of GDP,
- (c) improve the efficiency of capital (bring down incremental capital output ratio from 4:1 to 3:1),
- (d) double the per capita in the region from US\$ 300 to US\$ 600, and
- (e) engage in micro-level intervention by social mobilisation.

The report argued that since the poor are pro-active agents of social change, social mobilisation should ensure their empowerment. It also presented a number of such social mobilisation projects which had been deemed successful in empowering the poor in the region. For example, Bangladesh Rural Advancement Committees (BRAC), Agha Khan Rural Support Programme in Pakistan, Small Farmer Development Programme in Nepal, SEWA in India, Grameen Bank in Bangladesh and Monagar District Health Project in Bhutan, among others. The Commission was hopeful that if the suggested strategy was pursued by all member countries, poverty could be eradicated in the region by, as early as, 2002.

The 7th SAARC Summit in 1993 (Dhaka) adopted the report, and the member states were requested to take appropriate policy measures to implement the recommendations. Later, in the same year, the World Bank organised a Workshop on South Asian Poverty Alleviation to examine the practicality of the recommendations. And the United Nations Development Programme (UNDP) and the UN-Economic and Social Commission for Asia and the Pacific (UN-ESCAP) decided to finance and provide technical support, respectively, for a few social mobilisation projects. The UN-funded South Asia Poverty Alleviation Programmes (SAPAP) ran in all, but one (Bhutan), SAARC countries. And in 1995, during the next SAARC Summit in New Delhi, a three-tier mechanism – with the Ministry of Finance Officials, Secretaries, and Ministers – was formed in each member state to monitor poverty alleviation in the region.

In 1998, the SAARC Group of Eminent Persons (GEP), formed during the 9th SAARC Summit in Male, too commented on SAARC's attempts at regional poverty reduction:

The momentum generated in South Asia for action on poverty eradication following the adoption of [ISACPA1] ... should be carried forward, and the trends in poverty profiles in the region should be monitored regularly ... The SAARC three-tier mechanism on poverty eradication should be effectively utilized ... for sharing experience, as well as formulation and implementation of appropriate regional policies, complementing national poverty eradication policies. To demonstrate renewed commitment made at the highest level within SAARC to eliminate poverty, a decision should be taken to present a report to each summit spelling out progress made during the previous year in the alleviation of poverty on the basis of the agreed norms and standards.

Although the ISACPA1 certainly triggered a debate on poverty alleviation and excited donors, in terms of achievements in reducing poverty, the record, however, was far from satisfactory. None of the ISACPA1 targets had been achieved by 2002, and poverty still remained a key issue, with the region sheltering 40% of the world's poor even though the region accounted for 23% of global population in 2002.

ISACPA2

In 2002, at the 11th SAARC Summit in Kathmandu, the heads of state reluctantly admitted the lack of significant progress in addressing poverty despite the ISACPA1. The leaders noted that with international institutions like the World Bank coming up with Poverty Reduction Strategy Papers (PRSPs), IMF with Poverty Reduction and Growth Facility (PRGF), and the UN with the Millennium Development Goals (MDGs), the global conditions, compared to the early 1990s, had changed. It was argued that there was a need to have a fresh look at poverty in the region. Accordingly, a new ISACPA (ISACPA2) with new terms of reference, and to be again chaired by the former Nepali Prime Minister Krishna Prasad Bhattarai but with new members, was formed. The SAARC Secretariat was also ordered to prepare annual Regional Poverty Profiles, as per the GEP recommendation, to monitor poverty in the region.

The ISACPA2 report entitled 'Our Future Our Responsibility' recommended mainstreaming the informal economy, reviewing laws and policies that have an impact on the livelihoods of the poor, enhancing gender equities, engaging in prudent macroeconomics and sustainable development, and mobilising the power of the poor. It also suggested initiatives such as developing poverty database, documenting best practices, promoting rural technology, and sharing experiences. Reducing the poverty in the region by half by 2010 was the strategy's main objective.

The 12th SAARC Summit in 2004 (Islamabad) adopted the ISACPA2 report and requested the Commission to continue as an advocacy body and submit a comprehensive blueprint setting out the SAARC Development Goals (SDGs) for the next five years. Accordingly, in 2005 at the 13th SAARC Summit in Dhaka, the ISACPA2 submitted another report entitled 'Engagement with Hope: SDGs 2005-2010'. The Dhaka Summit endorsed this report and declared the period 2006-2015 as the 'Decade of Poverty Alleviation'. The Commission was then requested to elaborate further on SDGs, identify indicators, set benchmarks, project targets for the next five years and develop a credible monitoring and evaluation framework. The SAARC leaders also formalised the SAARC Development Fund (SDF), the successor to the South Asia Development Fund introduced in 1996, and converted the three-tier monitoring mechanism into two-tier one to make it less bureaucratic.

For the 14th SAARC Summit in 2007 (Delhi), the ISACPA2 came up with a report entitled 'Taking SDGs Forward: 2007-2012', with 67 indicators for the 22 SDGs formulated under categories such as livelihoods, health, education and environment. The Summit accepted the report and suggested that the national plans on poverty alleviation in all member countries should appropriately mirror the regional consensus reached in the form of SDGs and the SAARC Plan of Action on Poverty Alleviation.

Three years later, the 15th SAARC Summit in Colombo ratified the SDF and requested that the regional and sub-regional projects be promoted to achieve the SDGs by 2012. The next SAARC Summit in Thimphu two years later decided that the SDF Secretariat would be stationed in Thimphu.

Regional limitations

Over the last two decades, the region has seen a plethora of poverty related declarations, high-powered Commissions, plans of actions, and regional projects to combat poverty. The intention behind these poverty alleviation schemes need nothing but praise; however, little, in terms of implementation and monitoring, has been done in achieving the intended goals.

The main problem here is the limitation of regional projects in reducing poverty in individual member states, as was seen in the case of SAPAP projects under ISACPA1. It was due to this limitation that ISACPA2 emphasised the need for the individual member states to look at the best practices in the region. Member states can emulate programmes, such as the Grameen Pay Phone Scheme in Bangladesh and Mechanisation of Fishing Boats Project in Maldives, with due adjustments to initial conditions and country-specific factors and after a study on their political feasibility. Implementation of such projects might require some seed capital, especially for SAARC Least Developed Countries. And the Indian contribution of US \$ 100 million to the

‘social window’ of the SDF can provide a setting for other donors and well-wishers such as SAARC Observer countries, multilateral lending agencies, and philanthropists (such as Mananjith Singh Foundation) to contribute.

The regional system of monitoring poverty reduction in individual member states via the two-tier mechanism has also proven to be not effective, especially when it is not enforced strongly. Moreover, given the politics of the region, one member state might find it intrusive to be monitored by others in the region. Perhaps, at the moment, it is wise to engage in self-monitoring exercise, and initiate actions in lagging areas. SAARC Poverty Profile is a good exercise, as it gives an opportunity for individual member states to gauge their position vis-à-vis other member states.

It is time that SAARC leaders recognize the limitations of poverty alleviation through regional projects and poverty monitoring, and put a freeze on setting up further Commissions and poverty targets. Strengthening the existing mechanisms agreed upon in various Summits and deepening economic integration under the existing frameworks, such as SAFTA (South Asia Free Trade Agreement) and SAFAS (South Asia Framework Agreement on Services), could be far more effective in combating poverty in the region than any new regional poverty specific initiatives. South Asia has a long road ahead in poverty alleviation and SAARC can only play a facilitating role in achieving the targets set by individual member states. A host of declarations at the regional level will not be a substitute for concrete actions at the ground level.

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