

One Size Doesn't Fit All

Michael Kenn



Learning from India's fight against poverty

by Sanjay Reddy & Antoine Heuty

In *The End of Poverty*, Jeffrey Sachs rightly insists on the shared responsibilities of rich and poor countries alike to bring about global poverty reduction. Prof. Sachs, who is an advisor to United Nations Secretary-General Kofi Annan, prescribes a set of interventions — specific investments in health, education and infrastructure — through which to substantially reduce poverty in developing countries.

He calls on developing countries to implement these interventions and calls on developed countries to triple aid from its current level of around \$65 billion a year. Aid flows are now relatively unimportant to India but are still greatly important to many developing countries which have limited internal resources, especially smaller countries and those in Sub-Saharan Africa. Prof. Sachs emphasises the role that aid can play in improving conditions in these countries. These recommendations carry great weight as they are likely to play a prominent role in the September 2005

gathering of Heads of State to assess how best to achieve the UN's Millennium Development Goals.

As Prof. Sachs emphasises, we do know that some interventions (such as, in his view, the use of insecticide-dipped mosquito nets to combat malaria) are likely to be very effective at enhancing human well-being. However, the solutions to a great many other problems are simply unknown, and it would be best to recognise this. Technical fixes do not exist for the most important problems we face. For these, institutional and political reforms are as important.

Flexibility in plans

A national development strategy must be open to revision. A country, like a person, does best by revising its plans in light of new information. National and international plans

for poverty reduction must incorporate flexibility, so that they can reflect the different conditions prevailing in different countries.

However, allowing for flexibility is not enough. A practical approach to reducing human deprivations must actively foster learning about the best strategies, rather than presuming that these strategies are known in advance. It is likely that new information will emerge over time about the best strategies. Human beings learn from the results of their own and others' practical experiments. A sound strategy for reducing global poverty must enable and encourage countries to undertake experiments and to learn from one another.

As India's example shows, empowering countries to find their own solutions offers the best hope of real progress.

Impact of mid-day meals

A telling example of the importance of arriving at sound policies through learning is provided by the mid-day school meals introduced in southern Indian States in the early 1980s. This measure was initially criticised as populist and ineffective. Many Indian economists feared that the programme would add little to child nutrition, as poor parents would react to the availability of school meals by spending less on child nutrition themselves.

Only a few analysts foresaw the real reason that these schemes would be an effective developmental tool: they encouraged parents to send their children to school in larger numbers than ever before. Learning from this success, the Central Government introduced subsidies for all States to implement such schemes, and the Supreme Court has mandated them in every State. The Supreme Court has rightly recognised that India's States are laboratories for experimentation which should be encouraged to learn from one another.

India's experience has given rise to many successful experiments from which other developing countries have learnt. Every development intervention and institutional reform that is now the focus of attention around the world — from educating mothers about the use of "oral rehydration therapy" to reduce child mortality from diarrhoea, to creating a right to public information so as to increase State and local Government accountability — is ultimately the product of such learning from experiment.

Peer and partner review

How can the world best reduce poverty? A practical approach to reducing poverty must guarantee to countries the resources they need and it must allow for experimentation and learning. A system called "peer and partner review" offers a practical solution. Countries would at a regular interval (perhaps three years) voluntarily submit their plans to reduce poverty to scrutiny by their peers — other countries in similar circumstances — and their partners — those from whom they receive or to whom they give development assistance. Each review committee would consist of representatives of governments, independent experts and civil society organisations, and would be empowered to collect and analyse information and hold hearings.

The review committee would assess a nation's plan in light of what has worked in the past and based on an examination of the country's present opportunities and constraints. The analysis and recommendations of a peer and partner review committee would be broadly distributed within and outside the country, thereby encouraging public education and debate. A poor country's "needs and gaps" — the resources it requires in order to achieve poverty reduction goals and any shortfall that remains after taking account of the country's own capacity to raise resources — would be identified. Genuine "gaps" would then be filled through international assistance.

Fostering experimentation and learning

Peer and partner review would be voluntary. Large countries, such as India, with unique circumstances and little need or desire for external resources are unlikely to wish to participate. Other smaller and poorer countries would find participation attractive. The approach would foster experiment and learning, avoid laying down conditions heavily-handedly and enhance mutual respect and accountability. It would not lay down one-size-fits-all prescriptions but rather would look for solutions that work in local conditions.

Prof. Sachs is right: rich countries should show their commitment to reducing world poverty by increasing their aid. However there is no single way to do so that is already known. As India's example shows, empowering countries to find their own solutions offers the best hope of real progress.

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