



India and the MDGs

Towards a sustainable future for all



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UNITED NATIONS

India and the MDGs

Towards a Sustainable Future for All

Prepared by



on behalf of the

United Nations Country Team - India

UN  **INDIA**





India and the MDGs: Towards a Sustainable Future for All

There is now a remarkable convergence of vision underlying the priorities for the proposed SDGs and those of the new Government in India. Building on the MDGs, the SDGs propose to end poverty and deprivation in all forms, leaving no one behind, while making development economically, socially and environmentally sustainable.

The world is approaching a milestone for global development in 2015. As the Millennium Development Goals (MDGs) reach their December 2015 deadline, a new set of transformative and universal Sustainable Development Goals (SDGs) will be adopted by world leaders as a part of the Post-2015 Development Agenda at the United Nations General Assembly in September 2015. The new sustainable development agenda seeks to ensure that the momentum generated by the millennium development goals is carried forward beyond 2015 — to achieve not just substantial reductions in poverty, hunger and other deprivations but finally end them to provide a life of dignity to all. At this crucial juncture, the responsibility of steering development in India has been passed on to a new Government. It is now an opportune moment to take stock of the achievement of the MDGs in India and lessons learned that can be incorporated into the design and implementation of the sustainable development goals to build upon the unfinished MDG agenda.

There is now a remarkable convergence of vision underlying the priorities for the proposed SDGs and those of the new Government in India. Building on the MDGs, the SDGs propose to end poverty and deprivation in all forms, leaving no one behind, while making development economically, socially and environmentally sustainable. The Government of India has also adopted the principle of *Sabka Sath, Sabka Vikas* (“Together with All, Development for All”), and stated that the “first claim on development belongs to the poor.” More than ever before, the Government is calling for improved sanitation, health, education, financial inclusion, security and dignity of all, especially women. The Government is simultaneously prioritizing improving environmental development with respect to water, air, soil and the biosphere by treating the challenge of climate change adaptation as an opportunity rather than a problem. In less than nine months since taking office, the Government has announced a variety of measures to accelerate the process of growth with equity and sustainability and shown its eagerness to learn from success stories in these areas in India and abroad. Yet a complete blueprint of how to achieve these goals in a time-bound fashion is still a work in progress.

Against this backdrop, this analysis has two main objectives. Looking back at India’s experience with the MDGs, the analysis reviews MDG achievements and Goal-specific gaps at the national level. It also identifies key cross-cutting factors or “drivers” that helped

spur progress towards completing the MDGs, and outlines policy directions to accelerate performance in lagging areas. Looking ahead, the analysis reflects on the main development concerns that India will have to confront in the post-2015 period to achieve a better, more inclusive and sustainable future.

India's overall performance on the MDGs

The MDGs represent a core people-oriented development agenda. As a signatory to the historic Millennium Declaration adopted at the United Nations General Assembly in September 2000, India has remained committed to ending poverty and other deprivations. Achieving the MDGs is a core development challenge for India. India's new Government has reinforced this priority through the principle of *Sabka Sath, Sabka Vikas* and the Prime Minister, in his 2014 Independence Day speech, also urged Indians to work together towards overcoming poverty, gender inequality and the lack of sanitation, which are all crucial MDG tasks.

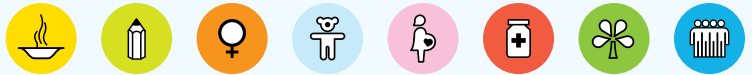
India has made notable progress towards reaching the MDGs but achievement across the Goals varies. India has already achieved the target for reducing poverty by half (Goal 1) by official estimates – and is close to doing so by international estimates. India has already achieved gender parity in primary school enrolment (Goal 3) and is likely to reach parity in secondary and tertiary education also by 2015. India is set to achieve reducing hunger by half (Goal 1); to reduce maternal mortality by three quarters (Goal 5); control of the spread of deadly diseases such as HIV/AIDS, malaria and tuberculosis (Goal 6); has increased forest cover and has halved the proportion of population without access to clean drinking water (Goal 7). But India is lagging behind on targets for achieving universal primary school enrolment and completion and achieving universal youth literacy by 2015 (Goal 2); empowering women through wage employment and political participation (Goal 3); reducing child and infant mortality (Goal 4); and improving access to adequate sanitation to eliminate open defecation (Goal 7).

India can improve performance by helping the weaker states emulate the good performers. The analysis finds that states that performed better on the MDGs focused on the following “drivers”:

Accelerated broad-based and employment creating economic growth. Across states in India, economic growth is closely related to MDG performance. This is due to indirect impacts of growth on MDGs from governments' expanding revenues; and direct impacts of growth from employment creation and increased incomes for poor households to invest in nutrition, health and education.

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Channeled resources into human development. Across India, states spending more on health and education in per capita terms have seen their human development surpass others.

Promoted good governance and effective delivery of public services. States with better, more accountable and responsive service delivery have also performed better on the MDGs. For example, states that provided more work to the poor under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and provided more food grains for poor households from the Public Distribution System (PDS) also achieved better overall MDG performance scores.

Extended basic infrastructure networks. States that have extended roads and transport and promoted access to electricity have seen more improvement in MDGs such as health and education than other states. States with better access to all-weather roads have a greater proportion of births attended by skilled health personnel. States with better access to electricity tend to perform better on literacy.

Promoted gender equality and empowerment of women. It helps achieve the MDGs by reducing fertility, population growth, and child mortality; improves nutrition, hygiene and health of households, children's performance in schools, allocation of household resources, and economic growth in general. States that have empowered women more than others — measured by the Gender Empowerment Measure (GEM) — have also performed better on the MDGs (see Annex 1 for a more detailed discussion).

Some of these overall “drivers” of MDG performance have been explicitly incorporated in the proposed sustainable development goals, such as inclusive growth, employment creation and infrastructure, recognizing their critical role. Key sector-specific issues and constraints that need tackling are discussed below.

Poverty, hunger and employment

India has achieved the poverty reduction target, but progress is uneven. Faster reduction in poverty since the mid-2000s helped India halve the incidence of poverty from the 1990 level. This was a result both of economic growth (including in agriculture) as well as increased social spending on interventions such as MGNREGA and the National Rural Health Mission (NRHM). Nevertheless, over 270 million Indians in 2012 still remained trapped in extreme poverty – making the post-2015 goal of eliminating extreme poverty by 2030 challenging, but feasible. Divergent growth experiences and rising inequality have led to poverty becoming increasingly concentrated



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in poorer states. The incidence of poverty in rural India is twice that of urban areas, and higher among excluded groups — Scheduled Tribes, Scheduled Castes, female-headed households, and religious minorities such as Muslims.

To end poverty, the immediate tasks are:

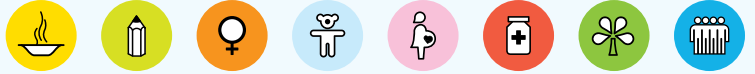
- To widen implementation of poverty alleviation programmes, such as MGNREGA and Food Security in poorer states; and focus greater attention on rural development, states falling behind and socially-excluded groups (including the urban poor).
- To guarantee more inclusive growth through universalization of the Government's financial inclusion programme Pradhan Mantri Jan-Dhan Yojana across the nation, and integrate it with expanded micro-finance and micro-insurance schemes.
- Over the medium term, continue emphasis on both increasing growth and social spending on poverty eradication programmes as essential elements to reduce inequality across income, geographical regions and between socially advantaged and disadvantaged groups.

India is on-track to achieve the hunger targets Accelerated economic progress in recent years leaves India on-track to achieve halving hunger just after the 2015 deadline. Nevertheless, India remains home to one quarter of the world's undernourished population, over a third of the world's underweight children, and nearly a third of the world's food-insecure people. India should join the new global pledge to end hunger by 2025. Hunger responds sluggishly to growth and requires complementary interventions in several other areas including access to balanced food and medical facilities by the poor, better child nutrition and immunization, adequate sanitation and hygiene, and faster-changing cultural practices to promote nurturing physical and mental environments for development of children and adolescent girls.

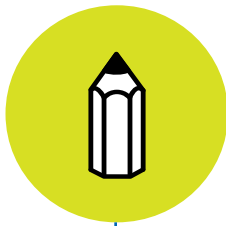
- Immediate actions to take to ensure India accelerates progress on hunger is to step up and incorporate improvements into targeted child nutrition programmes such as the Integrated Child Development Services (ICDS) scheme, and other programmes that help children, such as the National Rural Health Mission, the Scheme for Empowerment of Adolescent Girls-SABLA, the Public Distribution System and sanitation programmes. The implementation of National Food Security Act should also be expedited by completing targeting and identification of intended beneficiaries to ensure that poor people get affordable access to healthy and nutritious food.
- In the medium term the major challenge of food production,



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distribution and access to both cereals and non-cereal food by people living in poverty will have to be addressed. India should aim at doubling agricultural productivity by 2030 through a new green revolution based on sustainable agriculture. It must also address other factors crucial for ending hunger such as improving mothers' feeding and caring behaviour, ensuring clean household water and adequate sanitation; strengthening access to the health system; and better access to local nutritious diets to meet calorie, protein and micro-nutrient requirements.



More attention is needed on regular assessment of teachers' performance and providing them incentives linked to improvement in students' learning.

India needs to step up efforts to expand youth employment.

Limited employment creation despite high growth has slowed India's poverty reduction. Greater efforts are needed to take full advantage of India's demographic "bulge" as the working age group expands by creating decent productive jobs to reinforce and underpin India's sustainable growth. The factors responsible for low employment growth include insufficient absorption of surplus labour from agriculture in industry, particularly manufacturing, and services; and a drop in female labour force participation affecting the overall labour force participation rate. Other priority actions to bolster employment include:

- The Skill India programme announced by the Government for vocational education and training should be effectively implemented focusing on target groups, especially youth and women.
- Expanding productive jobs in manufacturing and services sectors including through promotion of small and medium enterprises; vigorously implementing the 'Make in India' programme by leveraging the large domestic market through infrastructure development, credit provision, a competitive exchange rate, land and labour reforms, stimulating domestic enterprise development, and enhancing ease of doing business to stimulate domestic investment and FDI; and
- Examining alternative policies and measures to make informal employment more productive and inclusive; focusing on employment of women, especially in the unorganized sector; and placing greater emphasis on creating decent jobs.

Education for all

Latest data suggest that India is off-track on the targets to achieve universal enrolment and completion. Large numbers of children still remain out of school and fail to complete primary education. The quality of education is also a major concern. Direct testing of primary school students indicates very poor learning

achievements in core areas of reading and mathematics with little improvement. Far greater effort is needed not only to achieve quality universal primary education, but also to achieve the SDG target of universal secondary education.

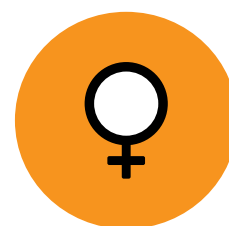
- In the short term, achieving universal primary education will require scaling up efforts to reach the most excluded groups such as Scheduled Castes (SC) and Scheduled Tribes (ST), among other vulnerable segments of populations, particularly in states that have fallen behind; provide instruction in the mother tongue of students; ensure that children are enrolled at the official age of entry to primary school; encourage early childhood education; improve accountability of teachers, and accord priority to improving learning outcomes.
- Over the medium term, interventions needed are stepping up resources to basic education, which remain low by international norms; supporting states with insufficient funds; and improving efficiency in use of public resources. More attention is also needed on regular assessment of teachers' performance and providing them incentives linked to improvement in students' learning. States must increase the teacher-pupil ratio, particularly in remote and disadvantaged areas. Finally, efforts to encourage participation of non-public players, such as civil society and the private sector, parents and communities must be prioritized.

Gender equality and empowerment

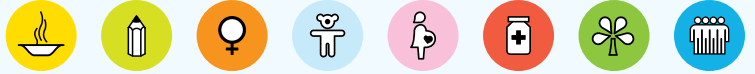
India is on track to achieve gender parity at all education levels, having achieved it at primary level already. But women's literacy rates lag that of men, indicating women's poorer learning outcomes and opportunities.

- An immediate measure to encourage education of girls and women is to initiate action to make educational institutions at all levels safe and attractive for them with mandatory improvements in areas of water and sanitation, safety, teacher training and gender-sensitive curricula.
- Over the medium term, awareness-raising campaigns to promote secondary and tertiary education of girls and women should be expanded. Access to education facilities is a significant practical barrier for women and girls. Better, more reliable and safer transport options are necessary.

Empowering women remains a major development challenge. The MDGs focused only on a limited set of empowerment



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measures and interventions must be widened. Women in India lack economic, political and social empowerment. The proportion of women working in decent jobs outside agriculture remains low; their participation in the overall labour force is also low and declining in rural areas; women in farming are constrained by lack of land ownership; and women are poorly represented in parliament.

- Priority empowerment measures are providing women vocational education; promoting parity in wages; implementing laws providing women with property and land rights (including the amended Hindu Succession Act); and promoting more employment of women including providing more than 100 days of work to them under MGNREGA, particularly in states where women's employment in MGNREGA is lagging.
- For political empowerment, build on the success of 33% reservation for women in Panchayat Raj institutions (village local bodies) to move ahead with the Women's Reservation (Constitution 108th Amendment) Bill to provide 33% reservation of seats in Parliament for women and similar measures taken for states.
- Medium term measures include making workplaces safe and attractive for women; regulating informal and domestic work; and
- Promoting women's entrepreneurship with specialized capacity-building programmes, exclusive credit provision, and self-help groups.

High priority must be accorded to changing discriminatory social norms and behaviors against women. Biases exist both at the household level (such as sex-selective abortion, lower attention to girls' welfare); as well as in society (such as child marriages and dowry). Particularly distressing is discrimination against women which begins with sex selection before birth resulting in declining sex ratios and violence against women that continues in life through physical harm including harassment, molestation and rape.

- To change discriminatory social norms immediate measures include better implementation of legislation to prevent violence against women. In addition, measures should be initiated to effectively implement laws preventing under-age marriages. Women should be given legal assistance to fight injustice and violence.
- In the medium term, efforts must be continued to change social norms through education and by scaling up campaigns involving the private sector and NGOs to bring about attitudinal changes. Special focus on the needs of women from groups who face discrimination or are vulnerable is also needed.

- Vigorous pursuit of the new Government's *Beti Bachao-Beti Padhao* campaign especially in the States with adverse sex ratio.

Health for all

India has achieved success on maternal health and on priority diseases but is off-track on child health although recent trends show an acceleration towards achieving this goal.

The control of diseases such as HIV/AIDS, tuberculosis, malaria and polio has been a major success for India. Also, its efforts mainly through the adoption of the National Rural Health Mission in 2005 (now expanded country-wide across rural and urban areas through the National Health Mission) have speeded up progress in child and maternal health but while the maternal mortality target is likely to be achieved, the targets on infant and child mortality will not. The NRHM adopted a targeted approach focusing on underserved rural areas and lagging states and emphasized health of women and children and improving service standards. More vigorous and sustained efforts on improving child and maternal health will be needed, especially to meet the new global targets being considered of zero preventable child deaths and a much sharper reduction in maternal deaths by 2030. To improve health services more effort will be needed to fill existing staff vacancies and overcoming gaps in availability of health personnel; tackling governance issues to reach unserved and remote populations and better monitoring of programmes; improving quality of health services; encouraging states to pay more attention to health and helping improve their capacities; and strengthening participation in health by the private sector and civil society.

- Immediate measures that can give quick results include integrating fragmented disease-specific services and programmes developed through NRHM, *Rashtriya Swasthya Bima Yojana* (RSBY) and other schemes, at both policy and implementation levels to improve synergies. Better use of existing resources by more effective implementation and management of programmes, and appropriate and transparent accountability over health facilities should also be ensured. Quality of health services must be improved. Price regulation, procurement and supply systems, especially on essential drugs, should be strengthened and enforced, and generic medicines should be popularized. Such measures should be taken by both the Centre and the states.
- In the medium term, major gaps in health spending at the Centre and states must be filled; as also the existing severe shortages in health personnel. The capacity of states to implement health programmes will need to be vastly improved. Active support of

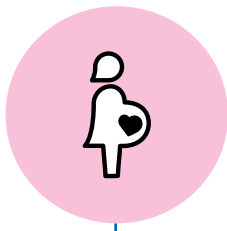


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communities and civil society will have to be sought to improve oversight functions and health outcomes. Interventions outside the narrowly defined health sector that address the social determinants of health including improvements in nutrition, women's education and empowerment; as well as better water quality and sanitation will also be needed.

India needs to implement Universal Health Coverage. Beyond 2015, new challenges in health will have to be tackled. Apart from traditional diseases, new non-communicable diseases (NCDs) such as heart attacks, strokes, other cardio vascular diseases, chronic respiratory diseases, diabetes and cancer are emerging. To tackle them seriously, India needs to consider targeting a reduction by one third of premature mortality from NCDs by 2030. In addition, road accidents are on the rise. These will place a significant additional burden on India's already overstretched health services. New approaches will be necessary to address India's future health needs. The Universal Health Assurance Scheme that the Government is planning to implement is the need of the hour to make progress towards health for all. The performance of the health system must also be improved, and resources augmented by securing the support of private, cooperative and non-governmental players.



Interventions that address the social determinants of health including improvement in nutrition, women's education and empowerment, better water quality and sanitation are needed.

Water, sanitation, energy and other basic infrastructure

India has already achieved the MDG water target, but is falling far short on sanitation. Despite meeting the water target, several concerns remain such as insufficient availability of water; inequity in its access; and sustainability of water sources. India faces a much bigger challenge on sanitation where progress is held back by the massive open defecation problem. The Government's *Swachh Bharat Abhiyan* campaign intends to achieve a 'Clean India' by 2019.

- To end open defecation, immediate measures include intensifying the *Swachh Bharat Abhiyan* campaign; scaling up awareness-raising programmes on sanitation involving communities and local governments; mass-communicating messages on sanitation from highest quarters; and focusing efforts on states, districts and social groups falling most behind.
- In the medium term, shortages in human resources in critical areas such as (i) for community approaches to total sanitation; (ii) skilled personnel for toilet construction; and (iii) monitoring and evaluation of programmes, must be tackled.
- While continuing efforts to increase access to clean drinking water, attention on quality of water and its round-the-clock

availability in both rural and urban areas is also necessary. Scaling up many national and international best practice examples will also help in addressing both water and sanitation related challenges.

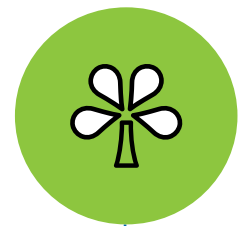
India also needs to bridge gaps in access to sustainable energy and other basic infrastructure. The MDGs did not focus much on infrastructure although infrastructure is a key “driver” of the MDGs and other development outcomes. This omission has been rectified in the SDG proposals where access to sustainable energy and other infrastructures have been emphasized. India faces major infrastructure gaps: one third of Indian households do not have access to electricity, and close to 70% lack clean and affordable energy for cooking. India lags behind developing Asia in other basic infrastructure as well. This includes roads, critical for access to schools and hospitals; and urban infrastructure which is greatly overstretched with a fifth of India’s urban population living in slums. The Government has placed high priority to filling infrastructure gaps including in rural areas such as through the *Shyama Prasad Mukherji Rurban Mission*. Areas for priority action in infrastructure include:

- Prioritize efforts to enable access by all to modern energy, roads, and essential urban and rural infrastructure, including urban amenities in rural areas. Integrate infrastructure interventions with the provision of basic services such as education and health. Integrate sanitation, waste management and energy generation using new technologies as under *Swachh Bharat Abhiyan*.
- Review past lessons to provide clean cooking fuels to devise scalable programmes for rural populations.

Enhancing sustainability of development

India’s performance on the MDG environment targets has varied. India has increased the area under forest cover and biodiversity protection. India still has relatively low levels of pollution per capita or per dollar of GDP, but India is quickly becoming one of the largest emitters of greenhouse gases, even though per capita emissions are among the lowest and have declined per unit of GDP.

Forests and biodiversity. Although India has slightly improved its aggregate forest cover between 1990–2013, declines have occurred in some states. Also, India’s forests have changed from multi-product and multi-layer to timber oriented, limiting gathering of non-timber forest products by forest-dependent communities. India’s progress in granting community rights under the Forest Rights



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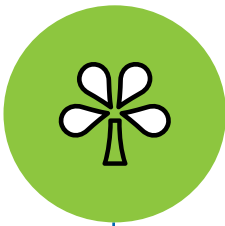
Act has been minimal. India has, however, taken major strides in biodiversity conservation and will achieve the MDG biodiversity target. An immediate task is to expand afforestation by focusing particularly on reversing the loss of multi-purpose trees from large forested states and increasing gatherable biomass and non-timber forest products.

Greenhouse gas emissions. India's progress in controlling greenhouse gas emissions can be considered satisfactory if the carbon intensity of GDP is taken as an indicator, but not if CO₂ emissions per head is considered. India has committed, to reducing the carbon intensity of its GDP by 20-25% by 2020 in support of international climate change efforts. India has the opportunity to leapfrog into low carbon growth paths using advanced technology as it industrializes and urbanizes rapidly in the coming decades. 'Grow first and clean-up later' is not an option.

Terrestrial and marine ecosystems conservation. Apart from the core MDG-related concerns, mentioned above, India will need to confront other environmental challenges to its sustainable development which are addressed more comprehensively under the proposed SDGs and are discussed below. These include conservation of terrestrial and marine ecosystems. Some of India's major challenges in this area include pollution of its inland rivers and waters; depleting fresh water sources through melting of Himalayan glaciers and depleting groundwater; land degradation, estimated at 20% of land area; and damage to coastal and marine ecosystems with loss of 34% of mangroves between 1950-2000.

Climate change mitigation. India upholds the principle of "common but differentiated responsibilities" in climate change matters, but is aware that it needs to take several measures in this area in its own interest as well. These include energy efficiency measures particularly in incentivizing use of LED lights, as the Government is doing and benchmarking appliances for energy efficiency, and encouraging Indian industry to move to more sustainable production patterns and waste recycling. The Government is putting heavy emphasis on renewable energy by focusing on solar, wind, geothermal and small hydroelectric plants including through quintupling the target under National Solar Mission to 100,000 megawatts (MW) by 2022. However, as coal will continue to be a dominant source of energy for many years, access to advanced technologies such as carbon capture and storage (CCS) would be critical. Apart from public action, encouragement of the private sector to support sustainability efforts, particularly by undertaking investments for clean energy deployment, must be a priority.

Resilience to natural hazards. Although India has had commendable success in reducing loss of life and property in recent



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cyclones such as Phailin and Hud Hud through enhanced ability to generate accurate early warnings, it needs to scale up its successes to confront all natural hazards including floods which are occurring at increased frequency. Disaster management practices and large scale climate proofing of infrastructure are needed.

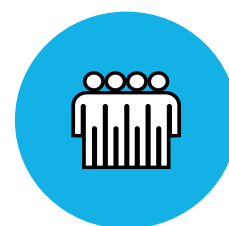
Inclusive and sustainable cities. India will face major environmental challenges due to rapid urbanization. Air pollution in Indian cities with pollutants far exceeding norms is increasing. Cities also face other environment related problems such as excessive congestion, unhygienic conditions, poor waste disposal, and lack of green spaces for recreation. The Government's plan to develop "100 Smart Cities" that are based on low carbon pathways is very timely and should be pursued vigorously including through win-win financial models for leveraging public-private partnerships.

Government's initiatives. The National Action Plan on Climate Change which focuses on both climate change mitigation and adaptation measures is the Government's major initiative on climate change. It also has initiated measures and campaigns in other environment areas such as *Namami Gange* for Ganga conservation, revamping the National Disaster Management Authority, more ambitious solar mission, and the 100 Smart Cities initiative. Other measures need to be initiated in particular for conservation of marine and coastal ecosystems and for improving air quality in cities.

Global partnership and means of implementation

Strengthening partnerships will help both India and the Asia-Pacific region. One lesson from the experience with MDGs has been that the Goal 8 on global partnerships was formulated in general terms and had poor implementation including the 0.7% ODA target remaining unfulfilled. Partly in response, the proposed SDGs include a vastly strengthened 17th Goal to revitalize the global partnership along with means of implementation, including finance, technology, capacity building, and data and monitoring. As far as the critical finance component is concerned, the third International Conference on Financing for Development to be held in Addis Ababa, Ethiopia, in July 2015 is expected to generate more durable financial commitments for the post-2015 period.

India both receives and provides development assistance. While Official Development Assistance received by India has been important, it is small in proportion to its GDP, and evaluations suggest that there is scope for improving its effectiveness. India for its part has helped developing countries through technical



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assistance, capacity-building support, economic assistance, and market access to least developed countries as a part of its development partnership activities that have benefitted over 160 countries. India's development assistance at US\$1.4 billion a year in nominal terms and US\$5.3 billion in PPP terms is significant for its level of development and can usefully complement the conventional ODA from developed countries.

Accessing green technologies and harnessing India's frugal engineering capabilities. In the context of continued high concentration of technology generation in developed countries and increased privatization of technology, steps need to be taken to facilitate access of developing countries like India to sustainable technologies through strengthening of TRIPS Agreement provisions for transfer of technology (Article 66.2). Possibilities of extending the public health waiver from TRIPS provisions to environmental considerations may also be explored. For its part, India should encourage enterprise-level research and development (R&D) activity, for harnessing their frugal engineering capabilities for developing products and processes with low carbon footprints. Learning, absorption and adaptation of imported know-how should also be promoted through joint ventures under the Make-in-India programme. South-South and triangular partnerships for joint R&D for development and sharing of frugal and low-carbon solutions for common challenges faced by developing countries may also be fruitful.

The goal of sustainable development cannot be achieved globally without India.

Expanding regional cooperation and partnerships. With advanced countries facing a subdued outlook, South-South and regional cooperation is critical for global growth. India has been an ardent supporter of regional cooperation and integration and actively supports cooperation efforts in SAARC and BIMSTEC, and through its 'Neighbours First', and 'Act East' policies. India should take steps to further strengthen cooperation in South Asia covering regional trade, transport connectivity and trade facilitation including by extending the Istanbul-Tehran-Islamabad container train corridor to Delhi-Kolkata-Dhaka and eventually to Yangon to harness geographical proximity and contiguity for promoting intraregional trade and regional value chains, besides making South Asia a hub of East Asia's trade with Europe and Central Asia. Regional cooperation for enhancing energy and food security may also be deepened. India has much to contribute to and benefit from the Regional Comprehensive Economic Partnership (RCEP) of East Asia covering ASEAN+6 (Japan, China, Republic of Korea, India, Australia and New Zealand) countries as it moves ahead with 'Make in India'. Finally, India should continue to harness the partnerships with other emerging economies through forums such as IBSA and BRICS to create new Southern institutions for development cooperation like the New Development Bank (NDB).

Leaving no one behind—ensuring continuity post 2015.

Freedom from deprivations will require achieving the MDGs and more. Sixty-eight years after it gained independence, India is still engaged in a struggle for freedom from many deprivations: poverty, hunger, illiteracy, ill health, disease and many others which the MDGs sought to overcome but many remain unfulfilled. Besides completing the unfinished agenda of the MDGs, India needs to consider other major development challenges for the post-2015 period that are being articulated through the ongoing global discussion on sustainable development. Based on extensive consultations, the Open Working Group (OWG) of the United Nations General Assembly has now proposed a transformative and universal development agenda covering in 17 Sustainable Development Goals (SDGs) all the three dimensions of sustainable development namely economic, social and environmental pursued together taking into account their inter-relations and synergies. The OWG proposals also form part of the Secretary-General's Synthesis Report *The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet* (December 2014) and are expected to be finalized and adopted by the global leaders at the General Assembly in September 2015.

The SDG proposals will ensure momentum generated by MDGs is carried through to 2030 to end deprivations. SDGs include four sets of challenges for India namely (i) completing the unfinished MDG agenda with a higher level of ambition of ending – not just reducing—all deprivations; (ii) strengthening critical development drivers such as economic growth, industrialization, employment creation and reduction of inequality within and between countries, basic infrastructure including energy, and governance and institutions, without which many social and environmental objectives would not be easy to reach; (iii) strengthening the sustainability dimension to address new and emerging challenges such as deteriorating environment, unsustainable consumption and production patterns that are rapidly depleting natural resources, the need to effectively mitigate and adapt to climate change, and develop livable urban areas; and (iv) accessing the means of implementation including transfer of advanced sustainable technologies from developed countries and harnessing India's frugal engineering capabilities for pursuing low carbon development pathways.

Looking forward to an India, freed of deprivations, in step with Asia and a leader in sustainable development. A vigorous pursuit of a sustainable development agenda presents to India valuable opportunities to not only end deprivations and provide a more dignified existence to its people but also adopt

Sixty-eight years after it gained independence, India is still engaged in a struggle for freedom from many deprivations: poverty, hunger, illiteracy, ill health, disease and many others.



growth paths that are more sustainable and that will enable it to close the development gaps with its Asian peers. It comes as India's new Government proceeds with a decisive mandate for change.

The MDGs have served India's decision makers and the general public to focus more clearly on such core development objectives. The recent initiatives announced by the Government of India are positive signs of India's active momentum and strategic priorities towards an inclusive and sustainable development agenda. The Government's principle of *Sabka Sath, Sabka Vikas* and prioritization of achieving development gains in poverty alleviation, education, gender equality, health, sanitation, as well as environmental sustainability through treating the challenge of climate change adaptation as an opportunity for reform reflects an alignment of Indian development strategy with that being articulated by Member States at the United Nations in the context of the SDGs. India's importance and weight in the global agenda makes such a convergence timely.

The goal of sustainable development cannot be achieved globally without India. This increased convergence in development priorities provides a basis for an enhanced partnership between the United Nations and India as the country develops. The proposed SDGs have also set a higher standard, which all Indians can recognize as an opportunity to finally end the crippling deprivations much of the country's population has long-suffered from.

The experience of the MDGs has shown that fast progress towards development objectives requires stimulating key underlying drivers. Similarly, India's achievement of the SDGs will require a focus on the acceleration of inclusive economic growth; guaranteed access to comprehensive social services; vast investment in basic infrastructure and women's empowerment. On top of this, the formulation and implementation of effective and responsive development policies and programmes is essential to fulfil development for all. The recent initiatives of the Government are a welcome sign of the intention of India to adopt this strategy.

The MDG experience has also shown that only mixed progress results when fundamental gaps in inequality, exclusion and deprivation are not closed and when rhetoric is not matched by fundamental concrete actions and by complete commitment to implementation. For 2015 and beyond, the world will be watching how India will implement its new strategic direction and the concrete actions and achievements it can make to provide a sustainable future for all.

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Annex 1

Achievement of the Millennium Development Goals by India: Key Drivers

India is a signatory to the historic Millennium Declaration adopted at the United Nations General Assembly in September 2000, a global compact to free millions across the world from the bondages of poverty, hunger, illiteracy, poor health and other deprivations. The Declaration was explicated through eight Millennium Development Goals (MDGs) to be achieved by 2015. The MDGs, (see Table 1) placed freedom from poverty and other deprivations at the top of the global development agenda and helped to invigorate Governments, the domestic and international development community and other stakeholders towards their fulfilment.

Table 1

The Millennium Development Goals

	Goal 1	Eradicate extreme poverty and hunger
	Goal 2	Achieve universal primary education
	Goal 3	Promote gender equality and empower women
	Goal 4	Reduce child mortality
	Goal 5	Improve maternal health
	Goal 6	Combat HIV/AIDS, malaria, and other diseases
	Goal 7	Ensure environmental sustainability
	Goal 8	Develop a global partnership for development

Now less than a year remains before the end of 2015 – the deadline for the MDGs to be achieved. An international effort supported by the United Nations has been underway in recent years to encourage countries to redouble their efforts to reach their targets. At the same time, beginning with the Rio+20 Conference on Sustainable Development in 2012, countries have undertaken a series of processes to establish a post-2015 development agenda. Among various efforts, an Open Working Group (OWG) of countries has used the MDGs as a foundation for drafting a new broader set of Sustainable Development Goals (SDGs) to be achieved by 2030. These draft goals aim to ensure that the momentum generated by the MDGs is carried forward beyond 2015 – to achieve not just substantial reductions in poverty, hunger and other deprivations but to finally end them. At this very crucial

juncture, the responsibility of steering development in India has been passed on to a new Government.

This analysis looks at the immediate tasks required for fulfilling the MDGs and at what needs to be done to continue the development effort beyond 2015 to achieve the wider objectives of ending poverty and deprivation. This transition is an opportune time to take stock of the progress and the setbacks in MDG achievement. Lessons learned in striving to reach the MDG targets by the end of this year can be adopted within the means of implementation and mechanisms for finalizing the sustainable development agenda and goals. One lesson is immediately apparent. As this analysis shows, several key drivers of MDG progress in India were not included in the original goals themselves. With the proposal for a set of 17 SDGs from the Open Working Group, these key drivers would be made explicit within the Sustainable Development Agenda. This would allow countries, such as India, to better adopt, align and implement common inclusive and sustainable development objectives into their policy priorities and concrete actions for the next decade and a half.

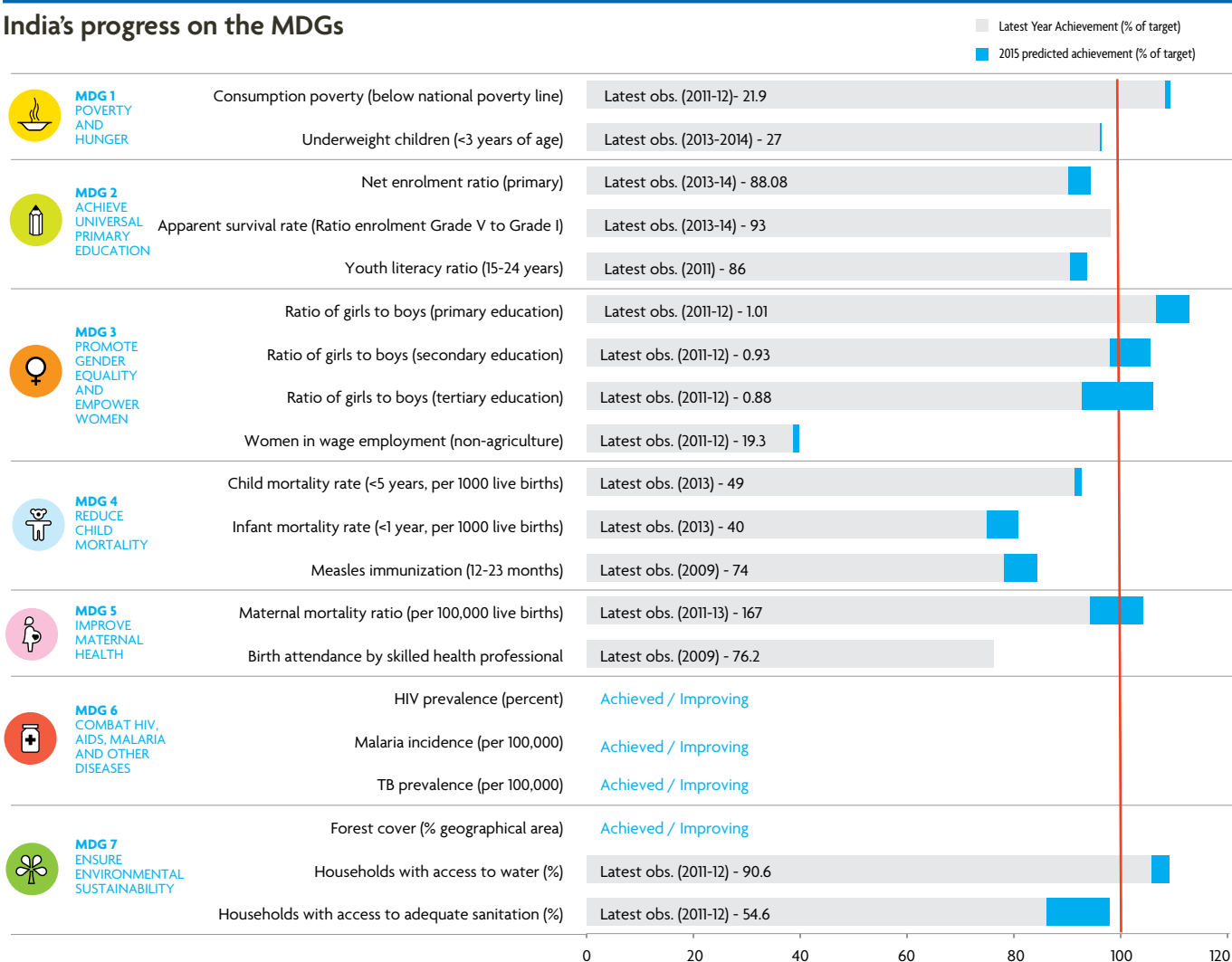
Close to a decade and a half since the inception of the MDGs, India's record on achievement of the goals is mixed. Impressive improvements have been made on some goals, but progress has lagged in others. Nevertheless, the MDGs have helped re-orient policy perspectives in India as governments, both at the Centre and in the states, now accord high priority to human development. The new Government has adopted the principle of *Sabka Sath, Sabka Vikas* (participation by all, development for all), and committed itself to the goal of poverty elimination 'with a firm belief that the first claim on development belongs to the poor', turning its attention on those who need the basic necessities of life most urgently. It has emphasized the importance of a number of issues that are critical for achieving the MDGs.¹

India's performance on the MDGs: renewed efforts required

India's progress on the MDGs is summarized in Figure 1.² India has already achieved the target for reducing poverty by half (Goal 1) by official national estimates (shown here) – and is close to doing so according to international estimates. It is on track to achieve the target for reducing hunger (Goal 1). It has achieved

Figure 1

India's progress on the MDGs



Source: Based on national sources.

Note: Latest data for underweight children (<3 years) based on national figure from Rapid Survey on Children, 2013-2014, Ministry of Women & Child Development, (2014) Government of India. Baseline estimate for maternal mortality rate in 1990 based on WHO,(2014).

gender parity in primary school enrolment (Goal 3) and is likely to reach parity in secondary and tertiary education as well by 2015. It has achieved reversing the spread of priority communicable diseases, such as, HIV/AIDS, malaria and tuberculosis (TB) (Goal 6) and has successfully eradicated polio (although this is not an MDG indicator). It has also halved the proportion of population without access to clean drinking water (Goal 7).

By contrast, India is lagging behind on targets for primary school enrolment & completion and universal youth literacy by 2015 (Goal 2); empowering women through wage employment & political participation (not shown) (Goal 3); reducing child & infant mortality (Goal 4); improving maternal health (Goal 5);³ & improving access to sanitation facilities (Goal 7).

Thus India still has a long way to go to achieve all the MDGs. Spurring progress on the lagging indicators is essential. In some cases the distance to the targets is small and further efforts will ensure their achievement but after the target deadline. These

include primary education completion; and targets for child mortality and immunizations. More effort will be required on the other lagging indicators.

Focus more attention on five key drivers of the MDGs

While factors specific to each of the MDGs are important for achievement of the targets, there are several key 'drivers' that affect the performance of all the MDGs. Some of these cross-cutting factors were not explicitly factored into the MDG goal and indicator structure but their roles are now being recognized as crucial to the success of the MDGs and so are being integrated within the proposed SDGs. In the rest of this section, five of these key drivers that influence performance and attainment of MDGs (and will also help drive the SDGs) are discussed. These are (1) broad-based and employment-creating economic growth; (2) adequate allocation of resources towards the social sectors and



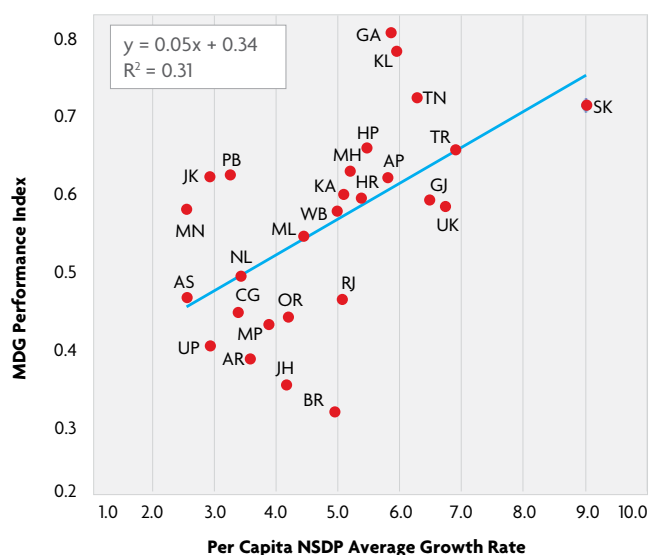
basic services; (3) strong design and effective implementation of MDG related programmes; (4) creating basic infrastructure for better access and delivery of MDG related services; and (5) women's empowerment.

Broad based and job-creating economic growth

Rapid economic growth, particularly if it is broad based, that is, widely participated in by all segments of the population, generates employment and improves the livelihood of the poor, is essential for the achievement of all the MDGs. The positive relationship between per capita National State Domestic Product (NSDP) and MDG performance is shown in the scatter diagram in Figure 2.⁴

Figure 2

MDG performance index and economic growth of Indian states



Source: Based on RBI, Handbook of Statistics on the Indian Economy, 2013-14 and national sources.
 Note: Data on average annual growth rates of per capita NSDP at constant prices, 1993-1994 to 2012-2013

Rapid growth can favourably impact on the MDGs in many ways. It can act indirectly to help MDG achievement by potentially improving resources with Governments at the Centre and the states, if such resources can be well garnered by effective taxation, and if such resources can be spent wisely on remedying gaps in basic services such as education, health, water and sanitation. In India, growth over the MDG period has helped bolster revenues with the Central Government, for example, and despite Central Government revenues remaining around 10% of GDP in this period (considered low compared to developing countries in Asia-Pacific and other regions), the rapid growth that occurred particularly after mid- 2000s, helped increase revenues substantially on a per capita basis. Growth is considered a 'necessary' — although not a 'sufficient' condition — for assisting MDG achievement. Without growth, taking effective public action in support of MDG achievement would

not be possible.

Growth can impact more directly on reducing poverty if it generates large scale employment of poor households or adds substantially to incomes from their existing work. The latter is what is likely to have happened in India in the period 2004 to 2011, when faster growth led to an acceleration in poverty reduction. The poverty headcount measure — given both by the national poverty line as well as the international \$1.25 (PPP) a day measure — declined sharply (from 45.3% to 21.9% between 1993 to 2011/12 by national estimates and from 41.6% to 32.7% in the shorter 2004/05 to 2009/10 period by international estimates). This was partly attributable to a sharp increase in growth, which exceeded 8.0% on average in the period 2004 to 2011 compared to just 5.7% on average in the earlier period 1999 to 2003. Faster growth appears to have had a two-fold impact on poverty. First, there is likely to have been an increase in incomes of poor households in agriculture, as a result of agricultural growth of 3.5% on average for the period 2004/05 to 2011/12 as well as increase in real wages due to the impact of the MGNREGA rural employment guarantee scheme (the outlays for which were made possible by enlarged revenues due to growth) and which provided jobs to a large number of poor households at minimum wages (about 50 million households are estimated to have benefited in 2011/12)⁵ as well as bolstered real wages in the rural sector in general. Second, although overall employment generation was weak due to a drop of 20 million in the number of women employed during 2004–05 to 2011–12⁶, a sharp increase in employment in the construction sector and some increase in the services sector occurred, absorbing surplus male labour from agriculture in better paying jobs. However, if growth had generated greater overall employment for women too, the reduction in poverty is likely to have been even sharper.

The relationship between economic growth and poverty reduction has been well documented not only in India but across the world and generally a strong association has been found between growth and the reduction in the poverty head count measure.⁷ The growth elasticity of poverty given by the national estimates (i.e. the percentage reduction brought about in the head count ratio by a one percentage increase in GDP per capita) was about a 0.8 in the period 2004/05 to 2011/12. This favourable impact of growth is likely to have been greater and the incidence of poverty fallen even more sharply had inequality not increased in this period as well, rendering growth less broad-based across income classes.⁸

Factors that have reduced the impact of growth as an instrument for poverty reduction also include the structural transformation of the Indian economy from agriculture to the services sector, bypassing industry. As a result, while the share of agriculture has come down in GDP to about 15%, it continues to sustain nearly half of the workforce. The service-oriented structural transformation has given the country good growth but has not been able to

generate enough jobs to move workers from low productivity work in agriculture to more productive jobs.⁹ For example, in the period 2004/05 to 2011/12 while India experienced fairly rapid GDP growth of 8.5% on average per annum, the growth of employment overall was only 0.4% per annum on average. This was mainly due to insufficient job creation in the industry and services sectors, and due to the decline in female labour force participation between 2004–05 and 2011–12, in rural areas.

In this context, the new Government's emphasis on development of the manufacturing sector to create jobs is both appropriate and timely. There are opportunities to leverage the large domestic market demand that has developed over the years, as reflected in sizeable imports of many manufactured goods and to build industrial capacities that can help generate millions of better jobs; while accelerating growth and improving the balance of payments.¹⁰

Despite poor job creation, growth still has had a large impact on poverty. Findings also suggest that the impact of growth on the other MDGs is also favourable, although each percent of economic growth has a smaller but still important positive impact, this elasticity for the non-poverty MDG indicators, such as for health, nutrition and education indicators is lower.¹¹ This is because the MDG indicators other than poverty depend more heavily on the availability of public services and on public action – such as on construction and staffing of schools and health centres, providing nutritional support to mothers and children, etc. – which are not automatically brought about by growth but have to be provided by mainly the Government, out of the augmented revenues that growth makes possible.

Prioritization of resources for human development

The manner in which Governments at both the Centre and in the states use their augmented revenues brought about by growth is critical for achieving the MDGs. Developing countries have many needs but the need to invest in human development – such as education, health, livelihood promotion and other basic services, which the MDGs represent – must be at the top of the development agenda. This is both because of the obvious intrinsic benefits that good education and good health, for example, provide to individual wellbeing, as also the importance of improving the productivity of human resources for the future growth and development of countries.

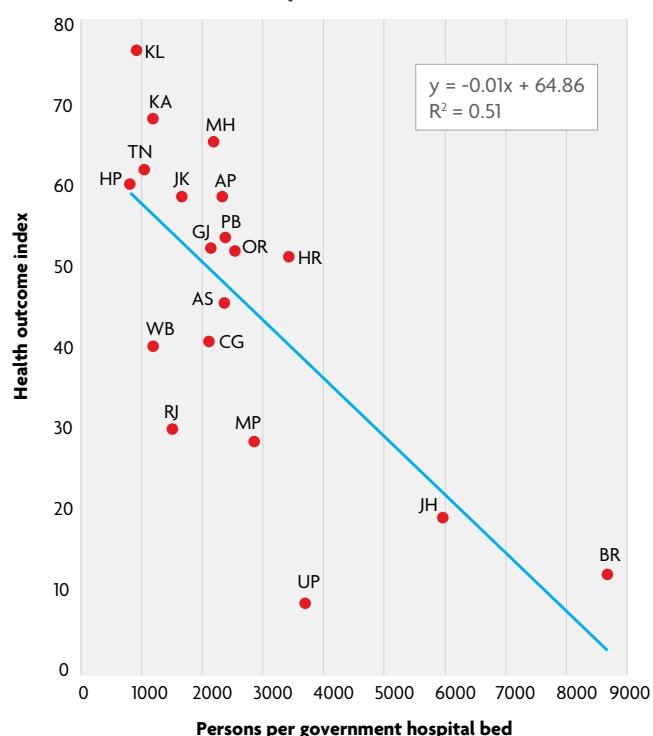
However, India has not been spending enough on human development, resulting in generally poorer outcomes in such areas as health, nutrition, quality of education (including skills development), and sanitation and hygiene, compared to developing Asia as a whole and particularly compared to East Asia, which has surged far ahead. In health, for example, where India is particularly underperforming, it spends 4.05% of its GDP, compared to 6% to 12% in upper middle and high income countries, respectively. Only

a third of India's health spending comes from public funds (1.34% of GDP) and the gap is funded by households, out of their pockets. It has been estimated that 6.2% of households in India fall below the poverty line, due to health spending that they cannot afford.¹² In education too, India's performance is less than satisfactory, with public expenditure on education at 3.34% of GDP against the UNESCO norm of 6% of GDP.¹³

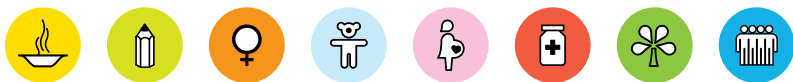
Apart from insufficient spending overall, there is wide variation among states in the investment made on human development. Many poorer states have much lower per capita investment expenditure on human development than the prosperous states, owing to insufficient revenue collection and inadequate devolutions from the Centre to cover their funding gaps.¹⁴ Those who have invested adequately have reaped benefits. In health, the number of persons in the state served by a government hospital bed serves as a proxy for public resources devoted to developing physical health infrastructure. As can be seen from Figure 3, the greater the scarcity of hospital beds — which implies also the poorer the resources devoted to building up health infrastructure — the lower the overall health outcome. Similarly, in education, there has been wide disparity in resources provided by the states over the years with consequential variation in education outcomes. There is a strong positive correlation, for instance, between literacy levels in states and their current public spending on primary schooling.¹⁵

Figure 3

Health outcomes and public health infrastructure



Source: Based on Central Bureau of Health Intelligence and WHO India health outcome index.



In order to rectify the imbalances in outcomes due to insufficient state spending, Central assistance to states commensurate with the development challenges they face is crucial. Such needs-based allocation will help in the future provided both the Centre and the states keep a close watch on the results of their spending and tailor their allocations and efforts accordingly. In addition to needs, allocations should also be made on the basis of performance, so that continually poor performers are not provided resources they do not use effectively. Unless proper use is made of scarce public resources, little impact on development targets can result. Attention to effectiveness of spending is therefore crucial for success.

Strong design of programmes and effective delivery of public services

Scarce public resources can be squandered if not put to use effectively and efficiently. Utmost care in spending such resources productively and without waste is therefore critical. Effective delivery of public services is an area of good governance that is most critical from the point of view of MDG performance. This is an area in which India can make significant improvements and higher delivery standards have already been achieved within the country among better performing states. It has been estimated, for example, that bringing the entire nation up to the standards already achieved in best performing states for health and education services and food and fuel subsidy distribution would result in a 50% increase in effectiveness of national social spending, in terms of reaching intended beneficiaries.¹⁶

A good example of the variability in standards of public services is in the utilization of the employment generation funds under MGNREGA by different states. MGNREGA has been helping rural households avoid poverty directly by providing employment at minimum wages to around 50 million households annually, and by raising rural wages in general indirectly helping a larger number of rural workers. However, the implementation of this major programme has varied considerably between states, thereby affecting its impact significantly. Many states lack the capacity to prepare worthwhile projects that would result in drought proofing, or make timely payments, and therefore were not able to attract funds from the Government proportionate to the levels of poverty in that state, and thus failed to provide sufficient employment to rural households.

Another good proxy of the efficiency of public services is the off-take of food grains from the PDS per poor person – a well-managed state should be able to deliver sufficient food for all. States that perform poorly in achieving targeting poor people under PDS are more likely to underperform on overall MDG achievement.¹⁷

Improving the delivery of public services requires that several

important issues critical for their effectiveness be addressed. These include effective participation of beneficiaries in design, implementation and monitoring of such services; smooth flow of funds, credible reporting, objective and timely evaluation of outcomes, linking a part of devolution with performance, properly targeting the services; making information available about service entitlements and standards; ensuring services are performed in time and in required quantity and quality; establishing effective grievance redressal mechanisms; professionalizing administration through fair and transparent recruitment, stable tenure, and enabling citizens to demand accountability from service providers.¹⁸ Effectiveness of public services in India will improve substantially if these features are incorporated within their design and implementation structure.

In most government programmes, the focus tends to be on collecting data on inputs, such as expenditure, staffing, training, infrastructure and equipment. What this information does not reveal, however, is what these investments yield in terms of the quality and quantity of services delivered, and the effect of service delivery on programme outcomes. Consequently, programme managers do not have the information that they need to assess whether the programme is reaching its objectives and whether corrective action needs to be taken. An outcome-oriented approach demands that there be a shift from an emphasis on measuring inputs and outputs ('traditional Monitoring and Evaluation (M&E)') to measuring outcomes. Government should therefore promote an outcome-oriented approach that shifts the focus from inputs to outputs and outcomes, focusing not only on expenditures but also on what is achieved with those expenditures. This outcome-based approach would also possibly lead to rebalancing the ratio in favour of professional staff who deliver services such as nurses and doctors vis-à-vis administrative and peripheral staff.

Effectiveness of the delivery of public services is also affected by other factors, two of which are especially important: corruption and capacity of public officials. The former has become a matter of increasing public concern and will require major institutional changes and reforms in monitoring and audit of public programmes and schemes. Capacity, especially of many state and local governments in implementing public programmes is weak and mechanisms for cross-learning across states need strengthening. A wealth of information on best practices already exists and where these have not been adequately documented, they need to be prepared and disseminated. While training schemes for development staff abound, real hands on capacity development is not sufficiently undertaken. Officials who develop capacities by designing and implementing various development schemes are rarely loaned between states and local bodies. Greater emphasis should be provided to cross-learning and capacity development, particularly of state and local officials who actually implement MDG schemes.

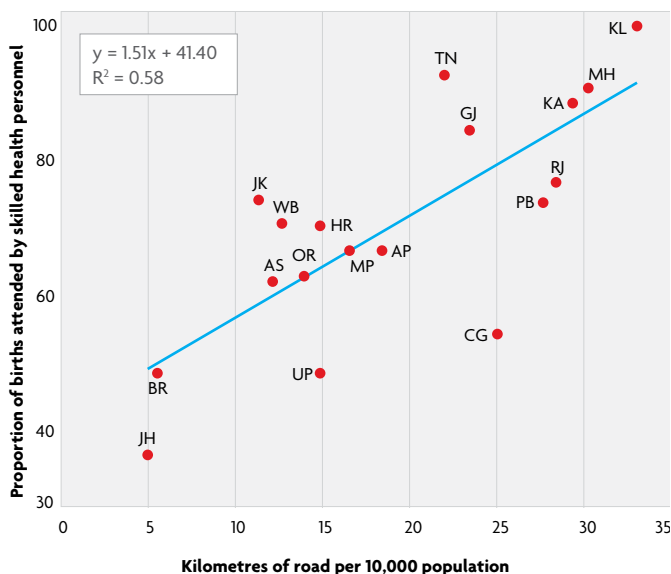
Basic infrastructure development

The expansion of basic services and their impact depends critically on the availability of basic infrastructure such as all-weather roads, transportation, electricity and telecommunications, for both rural and urban areas. Given rapid urbanization, basic urban infrastructure services are also needed, including urban housing and shelter for the poor, mass transport systems, water, drainage and sewerage — all crucial for making cities and urban areas liveable. Much of the achievement of the MDGs has depended upon availability of infrastructure support; as without roads and public transport children cannot go to school and expecting mothers cannot reach health centres; and learning at home and in school, health services at health centres are all hampered without electricity. Better rural infrastructure – such as farm to market roads, storage facilities, market infrastructure, and irrigation — also increases rural productivity and incomes and thereby assists in reducing rural poverty. Although the importance of infrastructure in delivery of basic services and poverty reduction is well-known and well documented, except in the case of water and sanitation and telecommunications, the MDGs did not explicitly emphasize this aspect, within their indicator structure. An example from the Indian context is illustrated in Figure 4. It shows the strong positive relationship between access to all-weather (surfaced) roads and proportion of births attended by health personnel.

The indicator for access to roads is a good proxy for provision of basic infrastructure in general, in a state. It shows a good association with the MDG performance indicator for states, pointing to the importance of basic infrastructure for overall achievement of the MDGs. Another good proxy for infrastructure

Figure 4

Access to roads and proportion of births attended by skilled health personnel



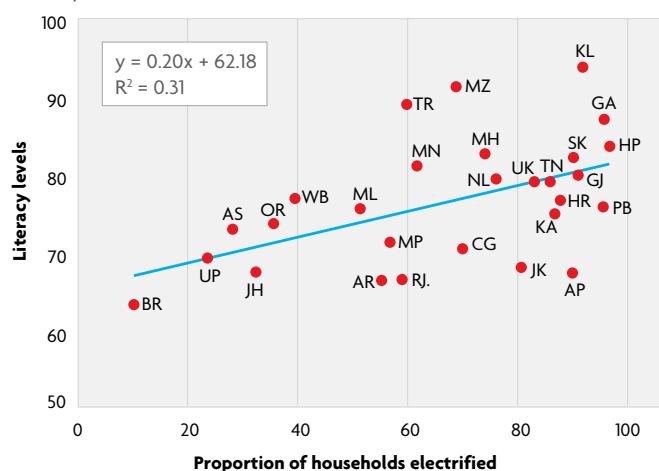
Source: Based on Statistical Yearbook India, 2014, CSO and CES, 2009.

provisioning is the proportion of households with access to electricity. The relationship between access to households' access to electricity and literacy levels is illustrated in Figure 5. It shows once again the importance of basic infrastructure for delivery of basic services such as education.

Expanding road and electricity networks is essential for development. Health personnel cannot attend deliveries in the

Figure 5

Access to electricity and literacy rates in Indian states, 2011



Source: Based on Census 2011, India.

absence of proper roads nor can complicated cases be brought to health centres. Households and medical centres without electricity also prevent effective treatment and may also discourage the presence of skilled health personnel. Similarly, other health services such as child immunization efforts, ante- and post-natal care, reduction in maternal mortality and control of diseases also require good roads and provision of electricity, for effective delivery.

India faces a serious deficiency of basic infrastructure. For example, currently according to the 2011 CENSUS about 33% of all households in India have no access to electricity, while in other BRICS countries about 5% on average have no access, and in China virtually no households are without access. In India, road infrastructure remains poor and of the existing roads just over half are paved, while this figure is more than 60% for all other developing countries in Asia, as a whole. Inter-state MDG outcomes are also affected by variation in basic infrastructure development, particularly those that directly impact on the MDGs. Non-availability of basic infrastructure, such as surfaced roads and electricity in some areas is slowing down the achievement of MDG targets. This is an issue that needs to be urgently addressed by the Government, both at the Centre and at the state level.



Gender equality and empowerment of women

Gender equality has been adopted as an important Goal (MDG 3) mainly in recognition of the need for greater women's empowerment when women, who comprise half the population of countries, continue to suffer deprivations resulting from social and economic discrimination. Achieving gender equality and empowerment helps achieve the MDGs, that is, apart from its intrinsic merits, gender equality has instrumental value by spurring development in general. This opposite direction of causality results from the large development impact, particularly the social development impact that women's development brings about.

Promoting gender equality helps in reducing fertility and population growth, impacts child mortality; improves the nutrition, hygiene and health of households, children's performance in schools, helps correct the allocation of household resources, and aids economic growth in general. Estimates have shown, for example, that the costs to countries of not having gender parity in primary and secondary education are high: significant increases are found in child mortality and incidence of underweight children as a result.¹⁹ The FAO has pointed out that women in India own less than 10% of agricultural land and even when they are owners they do not have effective control in terms of rights such as to sell or rent it.²⁰ Lack of land ownership is a severe impediment to efficiency for women cultivators because in the absence of the title to land, women cannot obtain credit or be entitled to irrigation and other inputs, especially technology.

Estimates by FAO show that more equal access to productive resources for female farmers could increase agricultural output in developing countries by 2.5% to 4% and contribute to reducing global hunger by 12% to 17%.²¹ Another study also shows that South Asia's larger gender gaps in education and labour force participation, compared to East Asia, have resulted in a 1.4% lower economic growth compared to East Asia.²²

Women in India remain severely deprived, compared to other developing countries including several of India's neighbours, and this is one of the crucial constraints to India's future development. For example, the latest 2014 Human Development Report places India's Gender Inequality Index (GII) at an unacceptably high level of 0.563. India is ranked 135th in the world and India's index is almost twice the gender inequality index (0.333) of East Asia

and the Pacific (EAP). India fares far worse than EAP in all gender inequality sub-indicators. For example, while the proportion of females aged 25 or older with at least secondary education was nearly 54.6% for EAP, it was just 26.6% for India, which was lower than in some other South Asian countries like Bhutan (34%) and Bangladesh (30.8%). In Sri Lanka, it was as high as 72.6%. While less than 30% of women above 15 years participated in the labour force in India — and evidence points to stagnation or even a decline in such participation, the participation rate was more than double in EAP (66.4%) and was again higher in several South Asian countries such as Nepal (79.9%), Bhutan (66.4%), Bangladesh (57.3%) and Sri Lanka (35.0%). Perhaps the most fundamental expression of gender inequality in India is the preference for sons over daughters. The Child Sex Ratio (CSR) in the age group 0–6 years has declined from 962 in 1981 to 927 (2001 Census) to 919 in 2011 (2011 Census), owing to both the widespread use of sex determination tests, sex selective foeticide and the continued discrimination against girls after birth.

States that have fallen behind have much catching up to do, in order to improve both the condition and status of women and thereby contribute to their overall social and economic development. While improvements in gender equality and women's empowerment are taking place, these need to be speeded up. For example, many more girls are in education and in jobs and women are participating in larger numbers in local government bodies and in gram panchayats; women's self-help groups have made major contributions to reducing poverty. However, much greater and more sustained effort will be necessary to eliminate gender inequality from India's society, economy and polity.

Some success but a long way to go

As the time frame set out for achieving the MDGs draws to a close, it is fitting to take stock. The Millennium Declaration and the MDGs it set out provided the world and India with a strong target-oriented agenda. In the midst of these developments, a new Government has assumed office in India, with a mandate for reform and faster development gains for all. It is an opportune moment to make an assessment of the distance covered and the much greater distance that is yet to be traversed; to take bold and corrective measures; and to secure the country's future with inclusive and sustainable development, as the world leaders adopt the new SDGs as a part of the post-2015 development agenda at the General Assembly in 2015.

Endnotes

1. President of India's address to Parliament, 9 June 2014. Available from <http://pib.nic.in/newsite/PrintRelease.aspx?relid=105494>
2. The figure shows the distance covered by India in each of the selected indicators from 1990 (in terms of the percentage of the target achieved from the 1990 baseline) till the latest count, and the additional distance likely to be traversed till 2015.
3. Assessment of maternal health based on the two indicators for MDG 5. For maternal mortality, "If the MMR declines at the same pace, India will achieve an MMR of 141 per 100,000 live births which is almost equal to the estimated target of 140 per 100,000 live births under MDG -5 for the MDG "; Minister of Health and Family Welfare, Rajya Sabha, Unstarred question No. 284, Answered on 25 November, 2014, Measures to reduce MMR. See also <http://pib.nic.in/newsite/PrintRelease.aspx?relid=111764> .
4. Hailu, D. and R. Tsukada (2012). Is the Distribution of Foreign Aid MDG-Sensitive? DESA Working Paper No. 111, ST/ESA/2012/DWP/111. Available from www.un.org/esa/desa/papers/2012/wp111_2012.pdf. The calculation of the MDG performance index employs a three step process: (i) performance on each individual indicator is given a score which is the proportion of the total distance from the baseline to the target that is actually covered; (ii) for each goal a single subindex is then prepared by taking an arithmetic mean of all the indicator scores in that goal; (iii) the goal wise subindicators are then aggregated into a single index by taking the arithmetic mean of the goal subindicators. The MDG performance index measures overall progress made by the states since 1990 towards the targets. A strong positive correlation of 0.56, significant at the 1% level was found with this index and the states' per capita GDPs. The regression also shows a close fit with significant regression coefficient.
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12. Mahal, A. and others (2010). *Economic Implications of Non-communicable Diseases for India*. Washington D.C: World Bank.
13. India's public spending on education was 3.3% of GDP in 2010 according to the UNESCO Institute of Statistics. The United Nations norm of 6% of GDP was suggested in the Oslo Declaration, UNESCO, December 2008. Also see Agarwala, R. (2014). *India 2050: A Roadmap to Sustainable Prosperity*. New Delhi: Sage.
14. Devolutions from the Finance and Planning Commissions, are based on 1971 population and therefore don't reflect state differences in population growth. States with low population growth will benefit more than states with high population growth rates since 1971. For instance, Kerala's share in India's population is now 2.8%, but for the purpose of central devolution of funds the share is calculated at 4%, which was the position in 1971.



15. The correlation coefficient is 0.52 and is significant at the 1% level.
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