SDGs and State level Reform in India

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YOU MUST HAVE PROGRESSIVE IDEAS AND DEMAND ELECTRICITY, RAILWAYS, AIRPORTS, ETC. AND NOT KEEP ASKING FOR ROADS, WATER, FOOD...
SDGs

• Agenda 21 - Rio “Earth Summit” 1992
  – Non-binding, voluntary action plan

• Sustainable Human Development
  – “pro-poor, pro-women, pro-nature and pro-jobs”

• Millennium Declaration and MDGs
  – 8 goals with 52 Targets to be achieved by 2015

• Rio Plus 20 Conference

• Post-2015 Development Agenda
  – 17 goals with 169 targets to be achieved by 2030
The process
SDGs v. MDGs

- The SDG framework addresses key systemic barriers to sustainable development such as inequality, unsustainable consumption patterns, weak institutional capacity, and environmental degradation
Global is the Local is the Global
Goals

• End poverty in all its forms everywhere
• End hunger, achieve food security and improved nutrition and promote sustainable agriculture
• Ensure healthy lives and promote well-being for all at all ages
• Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goals

• Achieve gender equality and empower all women and girls
• Ensure availability and sustainable management of water and sanitation for all
• Ensure access to affordable, reliable, sustainable and modern energy for all
• Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goals

• Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
• Reduce inequality within and among countries
• Make cities and human settlements inclusive, safe, resilient and sustainable
• Ensure sustainable consumption and production patterns
Goals
Goals

• Take urgent action to combat climate change and its impacts
• Conserve and sustainably use the oceans, seas and marine resources for sustainable development
• Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goals
Goals

- Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Strengthen the means of implementation and revitalize the global partnership for sustainable development
Embedding the Environment

• Rationale and overarching vision for environmental sustainability
• Integration in all goals and targets
Imperative of SDGs

- Slow Onset and Extreme Weather Events
- <226 million affected per year by disasters associated with natural hazards
- Weather related events
  - 81 per cent of all events
  - 72 per cent of economic losses
  - 23 per cent of fatalities
Forests and Trees Outside Forests

• Concept of sustainability first introduced in forestry science in 18th century
• Vital for achieving SD
  – <1.6 billion depend on forests for food, fuel, medicine and livelihoods
  – 31% of global land area (FAO 2015)
  – 80% of terrestrial biodiversity (Hassan 2005)
  – Second largest storehouse of carbon after the oceans < the atmosphere (FAO 2015)
Forests and CCA&M

• Mitigation - Potential to absorb 10% of global carbon emissions till 2050

• Adaptation – ecosystem services as vital sources of energy, water, livelihoods and biodiversity

• REDD+ including enhancement of forest carbon stocks
6 environmental criteria

- Linkage with socio-economic development
- Decoupling growth from escalating resource use and environmental degradation
- Coverage of issues of irreversible changes in global environment
- Account for current global environmental goals & targets
- Scientific credibility and verifiability
- “Trackable” progress indicators
Requisites

• Equally synergistic framework of means for implementation
  – Financing
  – Technology and
  – Investments in sustainable development capacities

• Framework to monitor and review implementation, based on enhanced statistical capacities
Imperatives for SDGs

• Paris Treaty will enable national level achievement of SDGs and Targets
• SDGs sole means of tackling Climate Change
• Climate-Development nexus around poverty, gender equality and energy
Chosen problems
Location-neutral
Technical analysis possible
Exceptional market failures
Little politicization
Institutions’ effectiveness as given
Welfare maximising policy-making

Pressing problems
Country specific and time specific
Less technical analysis possible
New market failures
State-centred polity
High politicization
Institutional change required

Challenge of Local Salience for Public Policy

CLASSICAL POLICY SITUATION

High understanding of the policymaking process

Institutional change required

Low understanding of the policymaking process

DEVELOPMENT POLICY SITUATION
Why focus on States

- Diversity and disparity in human development
- Control over implementation of programmes
- Key role in decentralized governance
- Key financiers – 57 per cent of government capital expenditure – lower only than China among developing countries (Howes et al 2010)
Drivers of State level Reform

• Reform signals
  – Imposition of hard budget constraint (zero fiscal deficit targets) and increased reliance on private capital flows
  – Onus of decentralization

• Mix of Competition and Cooperation
  – Increased competition for investment
  – Increased common ground vis-à-vis Central Government
The Narrative

• State fiscal reforms catalyzed by increased competition for business and investment since 1990s

• Emergence of regional/ state level parties and end of national parties’ hegemony

• Crisis of state finances
  – secular decline in states’ fiscal performance since 1980s – further escalated by Fifth Pay Commission
The Narrative

- Similar to the national trend in early 1990s, states’ fiscal crisis in late 1990s triggered interest in state level reforms
- Weak coalition governments limited political influence of Centre so “focus state” strategy of donors
Reform vs. Inertia

• Two classical determinants of Public Policy priorities
  – evidence based
  – derived from large scale mobilisation or public demand

• Often not realized due to bureaucratic neglect and political apathy
“Where is that Lokpal file?”
Institutional Dimensions

- Proliferation of authorities
- Gaps in coordination
- Battle over budgets
WE HAVE TO REINTRODUCE RED TAPE IN OUR DEALINGS, SIR.
OUR STAFF HAS NO WORK!
Capacity Dimensions

• Constraints of capacity at district and local level
• Focus on “training” rather than “capacity development”
WE ARE LUCKY, WE HAVE FOUND A PLACE TO LIVE UNDER THIS HOARDING!
Consequences

• Jobless Growth
  – Increase in population in age group 15-59 between was 250 million between 1991-2011
  – Only 100 million new jobs created between 1993-2012, mainly in non-formal sector

• Decline in Female WPR
  – Reduction in gatherable biomass from forests
  – Minimization of role in paddy cultivation due to mechanization
Imperatives

• Improve outcomes of national schemes
  – In 2013-14, poor states like Bihar with five times more poor spent than non-poor states like AP spend less than a third of funds under NREGA

• More effective skill development
  – Currently only 0.2 million youth apprentices against 12 million entering workforce annually
  – Reform apprenticeship law to encourage PPP
Imperatives

• Ease of Business for MSMEs
  – Rationalize rules for marketing and processing of agri-products
  – Role of states in Ease of Business – encourage competition through EBIS
  – Ease of Exit!
Imperatives

• Effective investment in agriculture
  – During 1996-2013, Index of Crop Production increased only 1.5 per cent per annum, in contrast to 4.4 per cent in 1980s
  – Focus on technological innovation and new assets in irrigation, power and rural infrastructure rather than input subsidy and MSP
Imperatives

• Effective investment in agriculture
  – Reverse shift in production base away from low-cost regions
  – Reduce consequent increase in burden of storage and transportation of food-grains
  – Greater focus on poor peasants in low fertility regions
Reforming the Centre

• True spirit of “Cooperative Federalism”
• A Facilitator for state governments and not a ‘Monitor’
• Bridge “Trust Deficit” with state governments - dialogue and not conditionalities
• Leverage NITI Aayog as think-tank and capacity builder for state governments
**India**

<table>
<thead>
<tr>
<th>OVERALL SDG PERFORMANCE</th>
<th>Global rank</th>
<th>Score or value</th>
<th>Regional average</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG Index</td>
<td>110 (of 149)</td>
<td>48.4 /100</td>
<td>54.6 /100</td>
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</table>

**Comparison with other development metrics**

<table>
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<th>Metric</th>
<th>Global rank</th>
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</thead>
<tbody>
<tr>
<td>Human Development Index, 2014</td>
<td>130 (of 188)</td>
<td>0.61 /1</td>
<td>0.66 /1</td>
</tr>
<tr>
<td>Subjective Wellbeing, 2015</td>
<td>107 (of 149)</td>
<td>4.6 /10</td>
<td>5.1 /10</td>
</tr>
<tr>
<td>GDP per capita, PPP, 2015</td>
<td>103 (of 149)</td>
<td>US$ 6209</td>
<td>US$ 13672</td>
</tr>
<tr>
<td>Global Competitiveness Ind., 2016</td>
<td>55 (of 140)</td>
<td>4.3 /10</td>
<td>4.2 /10</td>
</tr>
<tr>
<td>Environmental Perf. Index, 2016</td>
<td>141 (of 180)</td>
<td>53.6 /100</td>
<td>61.3 /100</td>
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**AVERAGE PERFORMANCE BY SDG**
I paid a fabulous fee to a famous artist to paint it for me. It has brought cheer all round the office!
The Chimaera of Political Will

- A crisis of imagination engendered by success
- Yesterday’s heterodoxy is today’s orthodoxy – so new game changers are required
- Imperative to harness “political will” – a shape shifter in a democratic polity
- Need to pick “winners”
Political Will as the trigger for change

- The ghost in the machine of public policy
- “Commitment of actors to undertake actions to achieve a set of objectives – and to sustain the costs of those actions over time” (Brinkerhoff 2010)
- Opinion (framing of issues) plus intensity (strength of public opinion) plus salience (relevance to public choice)
Is public policy looking in the right place for political will??

- Public disenchantment, esp. among the youth – recipe for revolution - “when the people’s assembly becomes a bourgeois theatre, the bourgeois theatre can become the people’s assembly”

- Contrast with continued prayer and petition by public policy initiatives looking for political leverage
Political Will as the trigger for Change

• Both HDRs and DPLs falter on “intensity” and fail to make the link between framing of issues and relevance to public choice
• Paradox of securing government ownership and yet faltering on the score of political will
The right constituency?

• The focus on “champions” also a function of convenience – easier to deal with a smaller number of political actors

• Advocacy and “winning over” focus at national parliament and state legislatures (e.g., Forum for HD)

• India’s governance challenge includes decline in performance of these institutions
To conclude

- SDGs can be met on the ground if there is effective coordination between Centre and States
- Think-tanks and research institutions must engage with central ministries and State Governments to document, track and support SDG action plans